ORAL HISTORY INTERVIEWS

J. AUSTIN BURKE

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STATUS OF INTERVIEWS:
OPEN FOR RESEARCH

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STATEMENT OF DONATION
OF ORAL HISTORY INTERVIEWS OF
J. AUSTIN BURKE

1. In accordance with the provisions of Chapter 21 of Title 44, United States Code, and subject to the terms, conditions, and restrictions set forth in this instrument, I, J. Austin Burke, (hereinafter referred to as "the Donor"), of Washington, D.C., do hereby give, donate, and convey to the National Archives and Records Administration (hereinafter referred to as "the National Archivist, acting for and on behalf of the United States of America, all of my rights and title to, and interest in the information and responses (hereinafter referred to as "the Donated Materials") provided during the interviews conducted October 8 and October 25, 1993, and on December 3 and December 4, 1997, in Denver, Colorado, and prepared for deposit with the National Archives and Records Administration in the following format: cassette tapes and transcripts. This donation includes, but is not limited to, all copyright interests I now possess in the Donated Materials.

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Date: 12/3/98

Signed: _____
J. Austin Burke

INTERVIEWER: _____
Brit Allan Storey

Having determined that the materials donated above by J. Austin Burke are appropriate for preservation as evidence of the United States Government's organization, functions, policies, decisions, procedures, and transactions, and considering it to be in the public interest to accept these materials for deposit with the National Archives and Records Administration, I accept this gift on behalf of the United States of America, subject to the terms, conditions, and restrictions set forth in the above instrument.

Date: _____ Signed: _____
Archivist of the United States

Introduction

In 1988, Reclamation began to create a history program. While headquartered in Denver, the history program was developed as a bureau-wide program.

One component of Reclamation's history program is its oral history activity. The primary objectives of Reclamation's oral history activities are: preservation of historical data not normally available through Reclamation records (supplementing already available data on the whole range of Reclamation's history); making the preserved data available to researchers inside and outside Reclamation.

The senior historian of the Bureau of Reclamation developed and directs the oral history program. Questions, comments, and suggestions may be addressed to the senior historian.

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Oral History Interviews
J. Austin Burke

This is Brit Allan Storey, Senior Historian of the Bureau of Reclamation, interviewing [J.] Austin Burke, Assistant Commissioner of the Bureau of Reclamation, in a conference room in Building 67 on the Denver Federal Center, at about 3:00 in the afternoon on October the 8th, 1993. This is tape one.

Storey: Mr. Burke, if you would tell me where you were born and raised and educated and how you ended up at the Bureau of Reclamation, I'd appreciate it.

Born in Baltimore, Maryland

Burke: I was born in Baltimore, Maryland, 1940. Lived a couple of years during the war in Philadelphia. I was educated for eight years by the Jesuits–high school and college.

Attended Fordham University

Went to Fordham in New York. I received I guess what's called a classical education. I have read most of the classics and some of them in Latin.

Two Years in the Peace Corps

Spent two years in the Peace Corps in the early 60s when the Peace Corps was first formed, in South America.

Studied Economics at Harvard University

Upon completing my Peace Corps tour of duty, went to graduate school at Harvard–studied economics. While at Harvard studied economics. Did some readings in microeconomics and welfare economics which has to do with efficiency of resource allocation.

Did Some Cost-Benefit Analysis

Did some work in benefit-cost analysis where I first learned any mention of the Bureau of Reclamation, my first introduction, just vaguely had some idea of it.

Worked on Establishment of the Asian Development Bank at the Treasury Department Beginning in 1967

1967 I graduated from Harvard and I went to work for the Treasury Department in international affairs, international monetary policy, and spent a couple of interesting years with opportunities I don't think I would have been afforded otherwise because of my involvement in the establishment of the New Development Bank–the Asian Development Bank. Their responsibilities before the Congress and appropriations committees, et cetera–at an early age.

Moved to the Bureau of the Budget, Water Resources Branch, in 1969

From there I went to the Bureau of the Budget, which is now the Office of Management and Budget, and got a job in the Water Resources

Branch, because of my interest in analysis and economic analysis, and was assigned to cover the Bureau of Reclamation, one of my assignments, which got me heavily involved in Reclamation.

Storey: That would have been about '69, '70?

Burke: It would have been '69. Yeah, it was the summer of '69. I think Dominy was still . . . I think he would have still been there. I don't think that . . .

Storey: Ellis Armstrong.

Burke: Armstrong, Ellis Armstrong hadn't quite come on board yet. It was the beginning of the Nixon administration. I did some interesting work when I was there. I was there for three years, analyzed several pieces of legislation, authorizations, including . . . Brantley, Narrows, North Loup [Division of the Pick-Sloan Missouri Basin Program].[1] Did an

1. Note that in the text of these interviews, as opposed to headings, information in parentheses, ( ), is actually on the tape. Information in brackets, [ ], has been added to the tape either by the editor to clarify meaning or at the request of the interviewee in order to correct, enlarge, or clarify the interview as it was originally spoken. Words have sometimes been struck out by editor or interviewee in order to clarify meaning or eliminate repetition. In the case of strikeouts, that material has been printed at 50% density to aid in reading the interviews but assuring that the struckout material is readable.

The transcriber and editor have removed some extraneous words such as false starts and repetitions without indicating their removal. The meaning of the interview has not been changed by

analysis–critique of the cost-sharing on the CAP [Central Arizona Project].

"Warned the administration . . . there were serious problems . . . with respect to the growth of the agricultural sector and its ability to . . . pay for even the small part of the [Central Arizona Project]. . ."

Warned the administration back then that (chuckles) there were serious problems involved in what was assumed to be happening, with respect to the growth of the agricultural sector and its ability to . . . pay for even the small part of the project it was going to.

Storey: On CAP? Yeah.

Moved to the Office of the Secretary of the Interior in 1972

Burke: And in 1972 I was made an offer in the Office of the Secretary of Interior, in the relatively new Office of Program Policy, I think it was called, and left the Office of Management and Budget and went over there. And from '72 to 1973, the reorganization took place in the Office of the Secretary, and I became part of the Assistant Director in the Office of Policy Analysis. It was a very exciting time back then. We had really some of the top brains in the country in natural resources. We were involved in establishing that and setting it up. So I'm

---

this editing.

including a couple of my colleagues from Harvard who were still there who preceded me there. I came on board and they were exciting times for several years. Oh, make things a little shorter, I stayed in the Office of Policy Analysis for . . . '72 to '81, about nine years, I guess, and was Acting Director for a year-and-a-half from 1976 to . . . somewhere in '78.

Had a very, I guess successful career. Got to be a super grade in 1973 or 1974 in the Department, when the SES [Senior Executive Service] was formed or legislated was grandfathered into that. In 1981 I shifted over to the Office of Budget in the Office of the Secretary and was there for 1981 to 1985, except for six months I was detailed to the Assistant Secretary for Indian Affairs to manage the administrative reorganization for them.

Moved to Reclamation in 1985

In 1985 I came to the Bureau of Reclamation as a 300 Chief of Washington program coordination and budget. Bill Klostermeyer recruited me. At that point I was sort of fascinated with a couple of areas: one in getting out of the Office of the Secretary, getting into a program. That had an appeal to me–I wanted to try something like that. Secondly, I had met in those years, in the early 80s and mid-80s, some people in the Bureau of Reclamation who I thought had tremendous promise, and that had a lot of energy and a lot of good ideas–relatives of people I'd first met back in the late sixties

and early seventies, and thought it would be a good challenge to get into an organization and try to make a significant change of an old-line organization.

Storey: Who were those people?

Burke: That were appealing? That I thought were . . . .

Storey: Yes.

Burke: I don't remember all of them. They were people like Dave Houston, Klostermeyer to a certain extent. Even Darrell Webber at that time. Frank Knell, Terry Lynott, Rich Atwater. And there were more.

Storey: What intrigued you about them?

Burke: They had a high level of energy and seemed to want to do things differently. I know some of them had their own agenda, but they were . . . they weren't old, tired bureaucrats who were brought up in a system they ____. I sensed that they had ideas on their own and were willing to change and make significant changes.

Storey: Why was that important to you?

Burke: Why was it important to me? Oh, was always, and more and more became more and more fascinated, in terms of bureaucratic behavior and why we did things the way we did, or why we earned reputations that a lot of times we deserve, why we . . . why common sense doesn't always prevail . . . why a bureaucracy

tends to hamstring itself, and why people don't care about . . . .

Storey: Bureaucracies and the way they are?

Burke: Yeah. The people that attracted my attention were people who were concerned about, and wanted to do things differently. They would not just accept the fact that this is the way it was done, or question why it was done, or question that if it had some purpose in the past do those conditions still hold, such that we need to do it the same way now. And Reclamation was ripe with that, like any organization, you know, its age.

Storey: I have the sense that you felt that Reclamation needed to change.

". . .I knew . . . more than most people from the outside–about what [Reclamation] was doing and the sense that its mission was thirty years behind the real world . . . relative to what the situation was in the country, in the economy. . . ."

Burke: Yeah. Well I think . . . . Yes, I mean, I knew, I knew enough about it from the outside–more than most people from the outside–about what it was doing and the sense that its mission was thirty years behind the real world in terms of . . . what it was trying to achieve, relative to what the situation was in the country, in the economy.

Storey: In what way?

". . . the agricultural sector . . . needed help in getting people out of there . . . returns to labor, below any sector in the rest of the economy; returns to capital were lower; it just wasn't good investment . . ."

Burke: Well, that the agricultural sector, far from needing further stimulation or encouragement, needed help in getting people out of there, because there are too many resources in agriculture: returns to labor, below any sector in the rest of the economy; returns to capital were lower; it just wasn't good investment; and here the government is trying to stimulate or encourage more investment in agriculture and it just didn't make sense.

Storey: And you had picked this up while working in the Secretary's office?

". . . I know how they could cook up numbers, benefit-cost analysis and everything. I knew enough about those kind of processes and the theories behind them, that I knew that they were phony. . . ."

Burke: Oh yeah. Well, I had picked it up over a long period of time, yeah, but the more I got involved in Reclamation, there was this tenaciousness, this stubbornness, and keep pushing new projects, new irrigation projects and all. There was sort of this love/hate relationship on the one hand, that didn't make sense, that doesn't. And I know how they could cook up numbers, benefit-cost analysis and everything. I knew enough about those kind of

processes and the theories behind them, that I knew that they were phony. I knew how to do those kind of things. But I was fascinated with their willingness to plow ahead and get things done. On the other hand, why the hell are you wasting your energy in this area? I felt or sensed that in some of the newer people I met that there was an opportunity, there was a real . . . there was an opportunity there for a change, that people were willing to take this old organization and change it. And I thought that was a risk and an opportunity for me to take that would be fun to work with.

Storey: You mentioned that you became aware of the Bureau of Reclamation during your studies at Harvard on cost/benefits analyses.

Burke: Very, very tangentially. Most of the case work that was done or that was talked about was done in terms of . . . I think the Corps of Engineers, but there was some . . . reference to the Bureau.

Storey: To Reclamation?

Burke: To Reclamation, yeah. Reclamation had . . . . See, back in I don't know ‘50s or ‘60s there was a joint program in the Engineering Department and the Department of Economics and Department of Government and Political Sciences it's called, up there. I forget what the program was called, but it was very much focused on water resource development–the politics, the economics, and the engineering of it. Some of the case work, there were studies and analysis that came out of that, were

available, and used, and I looked at some of that.

Student Projects at Harvard

Storey: When you say, case work, do you mean these were problems assigned to the students? Or do you mean that they were analyzing the way Reclamation did cost-benefit analysis?

Burke: No, they were more focused on broader policy issues such as . . . the federal government is encouraging these kind of public works benefits and from an economics perspective it could make sense if over the long run interest rates were low, such that these kind of public investments were fruitful. On the other hand, the other perspective was, "Well, do current interest rates reflect true social difference between public goods that can be attained today, versus benefits which are obtained over the long run, on long-term investments?" And also, this was a socialist's view, that why should we distinguish between goods today versus benefits over time? That the social discount rate should approach zero. So very classical Marxist view kind of thing. Those kind of debates, rather than "what Reclamation does" *per se*. I didn't really get into that kind of thing until I saw, I guess until I was a budget examiner at OMB [Office of Management and Budget].

Storey: And what did you begin to see and think about what Reclamation was doing at that stage?

Burke: At the OMB stage?

Storey: Yeah, when you were examining Reclamation's budgets.

"I thought that they [Reclamation] were out of their skulls! I mean, trying to make the desert bloom?! Here it is 1969 . . . we have a government policy which off and on, but since 1920, trying to help people get out of the agricultural sector and move into a more industrial sector, because of relative poverty in agriculture. . . ."

Burke: I thought that they were out of their skulls! I mean, trying to make the desert bloom?! Here it is 1969, 1970, we've got . . . we have a government policy which is trying to help off and on, but since 1920, trying to help people get out of the agricultural sector and move into a more industrial sector, because of relative poverty in agriculture. And here we are encouraging people to make investments, long-term investments, heavily capital-intensive, through these enormous subsidies with zero interest and power subsidies. What the hell are we doing?!

"I was fascinated by the ways . . . Reclamation would come up with in terms of making the benefits exceed the costs–how they would do that, the methodology. . . ."

And I was fascinated by the ways they came up with . . . Reclamation would come up with in terms of making the benefits exceed the

costs–how they would do that, the methodology.

Storey: Tell me something about that. What were they doing?

Burke: Well, they would . . . Whenever they could, in the old days they would use the coupon rate on long-term government bonds. Coupon rate was place at three, four percent, but it was never reflected, the discount rate that bonds were actually sold at. So the face value of the coupon was . . . only by accident did it reflect the true interest rate at any given point in time. That's why you see a lot of those old projects at three percent, two-and-half: they're based on old thirty-year government bonds. Well, hell, for the most part the government doesn't finance most of its debt on that long a term, except when it makes sense now–except when the money markets are such that they can take advantage of it. They would use those, they would take . . . returns to labor, family labor on the farms, and count those as project benefits, even though those . . . people could earn a return in other parts, doing other alternative things. You can't attribute benefits to other factors of production, to the investment, the hard-nosed capital investments you're making. You want to isolate the effects of this investment on the economy, the before and after. And if you confuse other factors of production, and count the benefits that go to those, you're assuming dead away that these factors of production have a zero worth in the economy, that they don't have an opportunity

cost or they can't earn a return in some other alternative. (sigh) They would do things like that. They would change cropping patterns or assume that the prices over longer periods of time would hold with relative prices, and you could never assume that in agriculture, it's such a . . . .

Storey: Product value.

Burke: Yeah, these long-term relationships of prices are relative prices to each other and to returns on capital investment were just pie in the sky.

Storey: When you say they would change cropping, they would assume changes in the cropping pattern? You mean different crops would come in after irrigation arrived?

Burke: Yeah, if it were a valid assumption. Or somehow that an increase in the value of crops would come about because of the irrigation investment, which is not true in a relative . . . .

Agricultural Prices Are Determined by Supply and Demand Throughout the World

The prices of products are a function of the total economy in that the supply and demand throughout the country–throughout the world now–and not . . . . You could never build an irrigation project <u>big enough</u> to affect the price of a commodity. It's just a pimple, just a little decimal dust in terms of the total supply.

Storey: So you were looking at these kinds of things and saying, "This is just not realistic." Were people listening to you?

". . . a few [people listened], but they didn't want to take on the political consequences of saying, 'We're not going to support this project,' . . ."

Burke: There were a few, but they didn't want to take on the political consequences of saying, "We're not going to support this project," or "we're not going to think that we can change the contract, the cautionary contract on the CAP."

Storey: There were political things then that were . . .

Burke: Oh yeah.

Storey: . . . influencing the decision, as well as analyses that were going on in OMB? or in the _____.

The Political Situation Affects Reclamation

Burke: Well, the political constraints under which the Bureau operated were such that it allowed the Bureau to get away with a lot of things–one of them being that the Reclamation program, even in its heyday, was small relative to other domestic policy, and even foreign policy, and that this was public works, pork barrel operation, and these things are traded to get votes on treaties and everything else. And that they were a very good source for horse trading, for political chips as you call them. The political reality said that you don't . . . it's not

worth it in a bigger picture to take on these kind of issues.

". . . the stubbornness of the old bureaucracy in Reclamation got away with a lot–not because of its own power so much, as the bigger picture. . . ."

So sort of the tenaciousness, the stubbornness of the old bureaucracy in Reclamation got away with a lot–not because of its own power so much, as the bigger picture. They were a pawn in a bigger picture, but they were willing to play that role of being a pawn, to their own advantage.

Storey: How did that change over the years? You were really sort of sitting on the outside watching Reclamation from various positions in the Bureau of Budget . . . .

Burke: For a long period of time, until 1985, I was.

Storey: In the Secretary of Interior's offices?

Burke: Uh-huh. That wasn't my only focus, you know, when I was in Interior. I mean, I was looking at a lot of other programs too: I was looking at the leasing, OCS [Off-shore Continental Shelf?], and worked on that, OCS leasing program, coal program; did analysis on some Geological Survey programs, BIA [Bureau of Indian Affairs], some BIA, _____.

Storey: So let's see, you would have had Minerals Management Service, OSM [Office of Surface Mining].

Burke: Before Minerals Management Service, was there a form, the Conservation Division in USGS [United States Geological Survey]. The OCS leasing program was split up amongst three Bureaus in the Department.

Storey: What did you see changing? That was a period from '69 to '85. That's what, sixteen years, I think.

Burke: I think changing in terms of a lot of the old line had gone, and that there was new blood in the organization.

Storey: In Reclamation itself?

Burke: In Reclamation, coming in, yeah. Broadbent brought in some fairly bright people that were hard workers, willing to work . . . that looked like they could be a force and they could make some changes.

Storey: Were the cost/benefit analyses beginning to tell, finally, too?

Interests at Reclamation and in the West Shifted Toward Urban Water Issues

Burke: Oh, yeah, I think so. I think what really changed is not so much oversight over the technical aspects of it, but the fact that . . . the politics, the political representation was shifting, and interest in water resources was shifting more towards–and the relative numbers, in terms of votes–was shifting towards more urban setting, and weren't

interested in . . . you know, the West wasn't so interested any more in developing new water projects, especially agricultural [projects] ~~products~~, when it was at a cost of water supplies for the cities.

Central Valley Project Improvement Act (CVPIA)

That came to fruition last year in the Omnibus Bill, California situation [Central Valley Project Improvement Act (CVPIA)]. But it's becoming clear. I think you'd have a tough time getting a traditional Reclamation project even . . . anybody thinking about sponsoring one, in most western states today.

Storey: Of course you and I entered the work force just as the Historic Preservation Act, National Environment Policy Act, Clean Water Act, and a lot of the environmental legislation came into force too.

Burke: Well these are parts . . . . And parts of these were . . . . Parts of the reasons that these came into being were to try to get at this sort of reckless abandon of western politics–especially in the Senate, but very much in the House too, especially in the Senate–of getting water project public works approved. The environmental movement, the Sierra Club really became a national entity because of the controversy over Marble Canyon Dam, which was supposed to have been the cash register for CAP.

Storey: So that happened after you came?

Colorado River Basin Project Act of 1968

Burke: No, actually, that was like '66, '67, '68 the ~~Lower Colorado River Basin Project,~~ Colorado River Basin Project [Act of 1968]. It's the CAP Act, *etcetera*, the omnibus act back there in '68 was passed in September.

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BEGIN SIDE 2, TAPE 1. OCTOBER 8, 1993.

Storey: So if Marble Canyon had gone into effect, or had been built, with its hydropower supply, that would have changed the whole economic picture for CAP?

Navajo Steam Generating Plant

Burke: Um . . . no. They found a substitute, the Navajo [Steam] Generating Plant. I don't think it was as <u>big</u> a cash register, but it was big enough to overcome some of the financial difficulties of CAP, as [they] were envisioned then. Now that has its environmental price tag, in terms of clean air, and the resultant requirements to put scrubbers on. I think if Marble Canyon would have been built back then, its operation would have been severely restricted by now, just like Glen Canyon [Dam] is. It might even have been torn down. The environmental movement might not have even <u>tolerated</u> having the dam in Grand Canyon.

Storey: Well they <u>didn't</u> tolerate it! (laughs)

Burke: Well I think if it had been in place . . . might have seen a breach of that dam . . .

Bureau of the Budget Work

Storey: I believe you said that you went to the Bureau of the Budget you went to analyze water issues?

Burke: That's the job I got, in the Water Resources Branch. That covers Corps of Engineers and Reclamation, and it covered the power marketing agencies at that time: the Federal Power Commission which is now FERC [Federal Energy Regulatory Commission] and some smaller, National Water Commission which is [now] the Water Resources Council.

Storey: Would TVA [Tennessee Valley Authority] have been in there?

Burke: TVA was part of it too, yes. Then later it was shifted out.

Storey: What were the major issues that you were looking at that related to reclamation? Were there any big ones?

Burke: Well, CAP is project specific, was the big one. One, should they start construction? and one, the repayment contract issue on CAP.

Storey: And of course we're just coming to grief now I think, on the repayment contracts and things for CAP.

Burke: Yeah.

Storey: So a Reclamation project takes maybe . . . that's almost twenty years. No, it's twenty-four years, isn't it? . . . to sort of work its way through the system.

"The CAP has been on fast track. . . . So when you talk about CAP taking so long, it's been one of the relative successes . . ."

Burke: That's been on . . . . The CAP has been on fast track. You have to keep that in mind. There are other projects that were started before CAP (sigh) was even authorized: Garrison comes to mind. Garrison was started in 1967. The amount that's been completed so far is very small relative to what that original authorization envisioned. Central Utah Project, the Bureau was under tremendous political criticism for its lethargy and disinterest in putting that on a faster track, taking so long to strike. Now some of that, a lot of that criticism is unfair, because there's a lot of politics involved . . . legal constraints about continuing construction, until referendums were held to approve increase in cost sharing and everything, et cetera, et cetera, et cetera. So when you talk about CAP taking so long, it's been one of the relative successes in terms of rapid completion, rapid construction.

Storey: I sort of got us away from that topic of issues, though, by pursuing something that came up. It was my fault. I'm wondering if there were other water-related issues that sort of bobbed up–not project-specific, but big sort of policy kinds of things.

Irrigation Subsidy and the National Water Commission

Burke: Policy issues, sure. Back then there was the question of whether we should continue having an irrigation subsidy, should we continue doing that? what do we get by it? There were big issues in terms of what the National Water Commission was considering in those days, whether we <u>needed</u> a Bureau of Reclamation back then.

Proper Pricing Policy for Hydropower

There were issues about hydro-generation and proper pricing policies for hydro-generation. Those issues were raised even later in the Carter administration: What <u>should</u> be our pricing policy on those kinds of things?

Storey: Was it felt we were underpricing? overpricing?

Burke: Oh yeah, oh yeah, underpricing power generation . . . . Yeah, because it was in terms of sufficient, rate sufficient to cover the costs of building the cost associated with the power, and the operating costs. When the proper public policy–economic efficient policy would have been to price them at a marginal cost of production, i.e., at that stage, pricing them what it would cost to produce that amount of energy from a new thermal plant, which would have been the marginal cost, the next step. <u>Tremendous</u> cost difference.

There Is a Large Windfall Between What Reclamation Charges for Hydropower and What it Should Charge and the Policy Issue Is Who Should Receive the Windfall

A tremendous difference between what we were charging and what we should have charged, and this difference or this subsidy or something, or this windfall was going to somebody. And the question is, who should get the windfall? If it's a public investment, shouldn't the government get it and the public get it? rather than giving it away to these public power operations, or to the Northwest, and having the Northwest heat and air condition their homes and brush their teeth with electric power that's vastly underpriced. It had long-term implications, both in planning and in thinking that ultimately culminated in the WPPSS [pronounced "whoops"–Washington Public Power Supply System] disaster.

Storey: I'm not familiar.

Washington Public Power Supply System

Burke: The Northwest . . . .

Storey: Oh, the Washington Public Power Supply System, or whatever it is?

Burke: Yeah. When we vastly underestimated the effect of higher prices on demand for electricity. And the attitude that was engendered by Bonneville in selling this concept, that we could sell electric power at any price.

Storey: Was there a problem because of the term of the contracts that was tied up in all of this? I don't know anything about this. I'm wondering if we gave them long-term contracts at fixed prices or something.

Burke: To Bonneville?

Storey: To anybody. I'm not familiar with this issue, really.

Burke: Well in the Northwest there was this power marketing agency that we supplied power to.

Bonneville Power Administration

Storey: BPA [Bonneville Power Administration].

Burke: BPA. The rest of the West maybe, put it in better perspective, when Reclamation used to market its own power outside of the Northwest. Some of the . . . . The public policy in those days was to . . . generate power, not to meet load growth, but to be a resource to the industry as a whole.

Issues in Signing Public Power Contracts That Include Long Term Growth Adjustments

Now the “load growth,” what's meant by that is, is being a utility, acting like a utility in making long-term agreements to meet specific geographical areas' power needs between now and the next twenty years. The public policy at that time said "no." Reclamation, despite that public policy, entered into long-term–in

Northern California, several Northern California . . . . As a result, Reclamation, now Western , ~~doesn't have sufficient, doesn't generate,~~ we don't generate sufficient power to meet those loads. We've got to go out on the market and buy at tremendously high prices–or Western does now–in order to meet load growth. And it takes a beating, it takes money out of the treasury. Anyhow, that's another digression, but they're the kind of bigger issues that we looked at as a development.

Storey: Those are the kinds of issues I'm interested in. How did that affect Reclamation? short-term, long-term?

Bizz Johnson and Power Contracts in California

Burke: Reclamation again, was capable of carrying on these things, despite criticism or analysis from the outside, again because of its relative position in the bigger picture as a pawn in the political game of gaining votes for bigger items. The particular reason why we entered into these long-term, low-growth contracts, despite administration policy at that time, was that Bizz Johnson was the chairman of the Water and whatever subcommittee under the House Interior [Committee], under Wayne Aspinall was the chairman. And they were his local districts, the low-growth _____.

Storey: Uh-huh, we agreed to provide long-term.

Burke: Yeah. He wrote that into the appropriation language.

Storey: And it passed. And then it's law instead of policy.

Burke: Yeah.

Budget Preparation in the Department of the Interior

Storey: You went from the Bureau of Budget, which is basically a presidential office, an executive presidential office, I believe, into the Secretary's office. So the budget . . . Let's see if I understand this correctly: The [bureaus] ~~agencies~~ within the Department would be submitting proposed budgets to the Secretary's budget office. The Secretary would then present . . .

Burke: A consolidated budget.

Storey: . . . his proposed budget to the Bureau of the Budget.

Burke: Right.

Storey: Or what's now OMB. How did your perspective change when you moved from the Bureau of the Budget to the Secretary's Office? For one thing, TVA disappeared, the Corps disappeared. What other kinds of things? How did your responsibilities change, for instance?

Burke: Well, it changed in terms of, I was in the–when I was at OMB I was looking at the Bureau of Reclamation, and a couple of other small agencies. But basically that's what my focus

was on. And there I was much more interested in specific issues . . . and authorization of specific projects, rather than total budget, per se–for Reclamation's total budget, per se. I'm not saying it wasn't important, but that did not interest me as much, or challenge me as much as the more specific issues that came up, broader issues.

Storey: And what kind of issues were those?

Burke: As I was telling you . . . .

Storey: CAP.

Burke: CAP, irrigation subsidies, public power pricing . . . et cetera.

Storey: Does the Secretary's office have more control over Reclamation's budget than you seem to have at the Bureau of Budget?

Burke: That . . . depended on who was in the Secretary's Office, what interests there were, where Reclamation was at the time, how powerful it was.

Storey: Well for instance you were in that office during the Carter administration, I believe.

Burke: I was in the Policy Office during the Carter administration.

Storey: Were you still dealing with water issues there?

Burke: To a certain extent, but I was dealing with all issues at that time, Department-wide.

Policy Analysis Office in the Secretary's Office

Storey: And the Policy Analysis Office, what's its responsibility in the Secretary's Office?

Burke: Originally it was sort of the "think tank" for the Secretary. It provided alternative analysis to proposals that came to the Secretary. It also did sort of program formulation in terms of the Outer Continental Shelf Leasing Program, oil and gas leasing program; proposed changes in mineral leasing and mineral leasing that the Bureaus were reluctant to do.

Storey: And this office created policy?

Burke: This office suggested policy . . . and analysis to back it up.

Storey: To the Secretary?

Burke: To the Secretary.

Storey: And then the Secretary . . .

Burke: Right.

Storey: . . . would decide whether or not [it would become policy].

Burke: Yeah, and there would be debates. I mean, we'd sit down and debate things with people from

Bureaus who were afraid or reluctant or didn't agree for one reason or another.

Storey: That would have been Secretary [Cecil] Andrus?

Burke: It was Andrus, it was [Rogers] Morton, it was Secretary Morton, it was Secretary [Thomas] Kleppe, it was Secretary Andrus. As a matter of fact, it was Secretary . . . what's his name, from Wyoming.

Storey: Not Watt?

Burke: No, [Stanley] Hathaway. He was there a month. His last meeting, we were debating some issues on the Bureau of Reclamation, as a matter of fact. (chuckles)

Storey: How did these different Secretaries relate to Reclamation?

Before Andrus the Secretaries Were Unwilling to Take on Reclamation Issues

Burke: Well, you know, before Andrus, for the most part, they looked on those as a political force that most of them weren't . . . would understand that some of the things they were doing didn't necessarily make good public policy, but again, weren't willing to take them on because of the bigger political context, how they fit into . . .

Storey: You're implying, I gather, that Andrus was willing to?

Andrus was ". . . very, very privately disturbed at the hit list in terms of he thought it did <u>much</u> more political damage . . ."

Burke: Well Andrus was more of a . . . . Andrus was willing to take things on in his own terms. He was very, very privately disturbed at the hit list in terms of he thought it did <u>much</u> more political damage, and did set their agenda <u>much</u> further back than they would have been, had that not occurred–they could have made reforms much more effectively on an informal, quiet basis, rather than coming out publicly with this "hit list."

Storey: So he as a westerner was involved in that. Do you have any idea where he stood personally on it?

Burke: On Reclamation projects?

Storey: Yeah.

Burke: Oh yeah, I think he thought that a lot of them were damaging and wasteful, but he also was very astute at the politics, and understood western–what the reaction would be.

Storey: The way westerners would think.

Burke: Yeah.

Jim Watt, Secretary of the Interior

Storey: And you were still there when Watt came in.

Burke: Oh yeah. See, I went back to 1969 with Watt. He was Deputy Assistant Secretary in Water and Power. I met him then, and he tried to hire me in 1972 to go over with him in the Bureau of Outdoor [Recreation] ~~Reclamation~~. I turned him down. There was an incident that happened when I was still at OMB. I'd done some analysis on some changes that Reclamation had made in this process of benefit-cost analysis, in order to overcome the consequences of a higher discount rate that was being promulgated by the Water Resources Council. And he said, "No, we wouldn't do that." He says, "But if you can prove to me that . . . with any evidence that we have directly made a change because of this other change to overcome, then I will publicly acknowledge that I'm wrong and I will not let this happen." So at that point I pulled out a memorandum signed by the planning chief that opened up and said, "Because of the recent change in the discount rates being promulgated by the Water Resources Council, we are now changing the following assumptions in order to overcome the consequences." (chuckles)

Storey: Ah! so this is the way you play the cost-benefit game!

Burke: Yeah, and he said, "How did you do that?" I said, "I don't know, I just thought this was sort of fascinating when I saw this copy." He said, "How come you got more information that I do?!" I said, "I don't know, I'm not trying to do your job." So he tried to hire me. He was a fascinating guy in a lot of ways–

bureaucratically very astute. He could run that organization fairly well. He knew where the bodies were buried in the Department. He knew who he could talk to at different levels in any organization and get things done. Politically he was just a disaster. I mean, he had a death wish, he wanted to be a martyr, and he got to be one, but over a very stupid issue.

Storey: Do you happen to know what he thought about Reclamation?

Burke: His own personal thing? I think he knew that . . . Reclamation from a bigger picture did not–public policy-wise was not . . . . What they were doing did not have a lot of merit. But also, he had this political . . . scorecard, if you will. And he was a poor boy from a destitute western state and Reclamation was a political avenue that they could use to sort of encourage the kind of lifestyle that was to him important: self-reliant . . . family farm or family-oriented . . . from his philosophical bent and interest, that's where Reclamation captured his imagination. And he used it as a tool for that. I mean, you could see that.

Jim Watt Was a Big Supporter of Reclamation When it Was Attacked

Storey: Did he support any new projects or anything at all.

Political Motivations for Supporting Reclamation

Burke: Very few. He would be a big supporter of Reclamation when somebody attacked it. Fascinating. When somebody would attack it, then he would come to its rescue, and he would be its biggest defender. But taking an initiative, no, not so much–unless it was to some political advantage that he saw. But he let it grow, and he relished Reclamation growing again, after the Carter days: spending more money–not necessarily because this was a good investment here, there, and anything, but it was opposite of what his political opponents wanted to do. And that really fascinated him.

Jim Watt Changed the Name from Water and Power Resources Service Back to Bureau of Reclamation

See, one of the first things he did when he came back into the Department, when he became Secretary, they changed the name back to the Bureau of Reclamation.

Storey: Why?

Burke: Because he thought that the change in the name had political, evil connotations, Water–whatever it was.

Storey: Water Resources and Power Service, I think it was.

Burke: Yeah, Whoppers is the word.

Storey: Water and Power Resources Service. Yeah, Whoppers.

Burke: And because they did it, the enemy did it, then that was wrong–the old title was the right thing to do. He just loved that, that he could do that. That was a big triumph to him.[2]

Storey: The nature of the commissionership changed about this time. I think '82 or '83 it became a Senate-approved office?

Burke: After Broadbent. He was the last one, and then I forget the piece of legislation that it came about in, but . . . yeah it became a P-A-S [president appointed, senate approved] position: presidentially-appointed, Senate-confirmed position.

Storey: That's a P-A-S?

Burke: P-A-S, yes. It's known as a P-A-S. And that was consistent with most of the changes that were made in the rest of the Department. Very

2. During video taped interviews with former commissioner Floyd Dominy and William (Bill) Klostermeyer in preparation for Reclamation's Manager's Conference in Denver in early December of 2000, the editor and Jeffrey McCracken (Public Affairs Officer in the Mid-Pacific Region in Sacramento) learned more about Secretary Watt's changing of the name.

Dominy informed us that he didn't like the name change and, having known Watt while commissioner, he called Watt and told him he should change the name back.

Klostermeyer subsequently told us that he and the acting commissioner went to a meeting with Watt who asked something to the effect "How is the new name doing." Since that could have been a loaded question, the response was a somewhat guarded one along the lines of "Oh, it's OK, we've gotten used to it." To which Watt responded to the effect "Change it back."

few organizations, Bureaus in the Department now, are other than that. There are a couple: Park Service is still one, Mineral Management Services is another. Other than that, they're all presidentially appointed.

Storey: And at that time you would have been in the Secretary's Office. Did you hear anything about why that change was made?

Burke: Why the name change?

Storey: Well, why . . . . I believe it was a Secretarial appointment before then.

Burke: That's a good point. There was . . . I vaguely remember something about it–not enough to recall. There was something that triggered it. (pause) Something that triggered it. I can't recall. I'll have to go back and think about that for a while. It's a good question.

Storey: Okay. Well, I'm interested . . .

Burke: Part of it was just the movement in the whole Department–congressional interest in doing that. See at that point I think that the Republicans were . . . [James A.] McClure was the Chairman of the Energy and . . . Natural Resource Committee [Committee on Energy and Natural Resources], the old Senate Interior Committee at the time. So I mean they didn't have a hostile audience up there, necessarily. The Republicans were in the majority then in the Senate. I can't recall what the circumstance

was, but there was something . . . that was related to it or triggered it, I forget.

Storey: Maybe you'll think of it later. In '85 then, you came over to Reclamation. Recruited by Bill Klostermeyer?

Burke: Right.

Storey: And you've already mentioned that you sensed that the agency needed to change and so on. Had the agency at that stage begun to recognize that?

Burke: Yeah, I think so.

Reclamation Comes to Recognize That Change Is Necessary

Storey: From your perspective, what's the evolution of Reclamation's recognition that it needs to change and its attempts to change?

Burke: It's not a neat pattern to describe. I guess it's more fits and starts. (pause) We were characterized at that time, or compared at that time in the early '80s, to the Corps of Engineers. And the Department, and especially OMB, were trying to make the processes, approaches, and policies of Reclamation more in line with the Corps of Engineers, more consistent. And it laid out fairly strict cost-sharing policies. About that time they were working on it very hard. And Broadbent got Senator [Paul Laxalt] . . . The guy from Nevada–Reagan's buddy.

Storey: Oh, former governor.

Burke: Yeah.

Storey: Why can't I of his name. The Basque governor. I can't remember it right now–it'll come to us. He ran for President.

Burke: Tried to, yeah.

Storey: Tried to run for President.

Burke: Senator . . . His family owned a casino there in Carson City or something.

Storey: Yeah.

Senator Paul Laxalt Intercedes with President Ronald Reagan Regarding Reclamation's Cost Sharing and Rates on Project Repayment

Burke: Damn! Well, anyhow, he got the Senator involved, and it turns out that Reagan signed a letter to Senator [Paul Laxalt] ~~X~~ saying that Reclamation is different than the Corps of Engineers or other things, and that it will establish cost sharing on a case-by-case basis, and just left, you know . . .

END SIDE 2, TAPE 1. OCTOBER 8, 1993.
BEGIN SIDE 1, TAPE 2. OCTOBER 8, 1993.

This is tape 2 of an interview by Brit Storey with Austin Burke on October the 8th, 1993.

Burke: . . . left a bad taste in a lot of people's mouths. And it was a short-term victory, but had some tremendous consequences in the longer term, in terms of the trust and respect that people in the administration had for the Bureau of Reclamation. There were some people there that recognized that, including people that had worked for Broadbent–the Houstons and . . .

Storey: Houston was M-P Regional Director about '88 wasn't he?

Burke: Yeah. Yeah, he had been working as a special assistant for Broadbent in Reclamation, and then went as a Deputy Assistant Secretary, before Broadbent was Assistant Secretary. But then went out, became . . . Assistant Regional Director. (pause) Yeah, went out and became Assistant Regional Director in '86 or '7, I think. Maybe it was before then. Maybe it was even '85, I don't know, but it was in that area of time.[3]

Storey: So that letter helped Reclamation's image? hurt Reclamation's image?

Burke: It did long-term damage to it, _____ yes, very much so.

Storey: Why?

3. David G. Houston was Mid-Pacific regional director from 1983 to 1989.

Burke: Because it was very arrogant. It said, "We're not going to be held to any other standard but our own. We're different than anybody else."

Storey: And Reagan signed off on this?

Burke: Reagan signed off on it.

Storey: Why?

Burke: (remembering name) Laxalt! Senator Laxalt.

Storey: That's it! yes.

Burke: Laxalt got him to sign it.

Storey: So Laxalt was a big supporter of Reclamation then?

Burke: Well, yeah, he was . . . And he was a big supporter of Bob Broadbent. And Bob Broadbent got Laxalt to get Reagan . . .

Storey: So is that the reason Broadbent was appointed Commissioner, perhaps?

Burke: No, no, Broadbent had already been Commissioner by that time.

Storey: No, I mean because of Laxalt's influence with President Reagan?

Burke: Oh yeah, I think so, yeah. Yeah.

Storey: He was really, I think, the first non-engineer to be appointed to be a Commissioner.

Burke: Well Dominy wasn't an engineer.

Storey: Oh, he wasn't?

Burke: No, Dominy was a planner/economist.

Storey: Oh, okay, I didn't realize that.

Burke: Yeah.

Storey: A very active one.

Burke: Yeah. Prolific!

Storey: Was there something Laxalt wanted in terms of a project in Nevada that you might be aware of?

Burke: Well, Laxalt's general interest, you had to remember, was getting more water for Nevada and the growing thirst of Las Vegas and also Reno, because lack of water is an extremely strong growth constraint against those two, you know, the basic economy of Nevada. And so being a big sponsor of Reclamation as a possibility or opportunity to get more consideration for somehow different technologies–desalting or whatever–to get more water for horse trading with the other states, to get a greater amount of water than their apportionment on the Colorado River. That's what I saw [as] his interest.

Storey: So this evolution–or the devolution of Reclamation's "fortunes," if you will, that letter helped contribute . . .

Burke: That letter really pissed people off, yeah, within their own administration. When opportunities came, when the political strengths, relative strengths had shifted, Reclamation did not have as strong a sponsorship as it had in the past, did not have as much to offer–it came back to haunt them.

Storey: What about other issues that were contributing to the evolution of Reclamation's recognition that it was going to have to change?

Burke: I think part of it was internal. By the time I joined Reclamation in '85 I soon discovered things you don't see from the outside, but only from the inside.

In the field, there was ". . . very strong distaste, dissatisfaction with the direction they were getting from Washington from career officials–the bureaucracy in Washington . . ."

And it was a very strong distaste, dissatisfaction with the direction they were getting from Washington from career officials–the bureaucracy in Washington, the different divisions. The regional directors, a lot of the staffs in the regions thought that Washington staffs were heavy-handed, dictatorial, or acting without a lot of knowledge of what was actually going on, were bureaucratic, tended to be rules-oriented, and wanted to do something to overcome that.

Creation of the Permanent Management Committee (PMC)

I think one of the first results of that growing attitude was the formation of the P-M-C, Permanent Management Committee–was to give greater voice to the regional directors, and, to a certain extent, the people out here in Denver.

Storey: And that was formed under Dale Duvall?

Burke: No, that was formed, I think . . . either Broadbent or Bob . . .

Storey: Olson?

Burke: Bob Olson, I believe.

Storey: Olson is evidently a career Reclamation person?

Burke: He was Acting, yeah.

Bob Olson, Acting Commissioner

Storey: Yeah, he was Acting. What was his background, do you happen to know?

Burke: He had been a regional director, I think, and he had worked for WAPA, Western Area Power Administration, and done a lot of time in the field, so I could just speculate that he was sort of sympathetic to the . . . You know, he came from Boulder City in order to become Acting Commissioner, and moved back to Washington, so he did not have a strong tie to Washington.

Storey: And the P-M-C at that time consisted of the regional directors and the assistant commissioners?

Burke: Assistant commissioners, the regional directors. And even though they had Washington people, you know the region chiefs–some of them at the Senior Executive Service level–part of them weren't made part of the P-M-C. And I think it culminated in and was the driving force for a lot of the, sort of the undercurrent for the 1988 reorganization.

Storey: In what way?

The 1988 Reorganization Shifted Reclamation Toward O&M

Burke: Well, I think you can view the reorganization, if you look at it, try to get below the surface of "we're shifting to O&M [operations and maintenance]," which was true. I mean, we weren't going to get bigger appropriations to start many new projects, *et cetera*. We had to concentrate on operation and maintenance because we're way behind in the status of the fitness of the facilities.

They Wanted to Shift All of Reclamation's Washington, D.C., Staff to Denver

But there was sort of a *non sequitur* of what they did, when you look at it. What they did was, they shifted all of Washington–they wanted to shift all of Washington, including the

Commissioner, to Denver, and leave six people in liaison.

Storey: You were not on the P-M-C at that time?

Burke: No, I wasn't on the P-M-C. Bill Klostermeyer, my boss, was. But I was not on it.

Storey: So you were watching from the outside.

Burke: I was observing from the outside. But I think it demonstrated a lot of political naiveté, and also a burning, sort of almost emotional . . . need that these guys had to tear down the Washington bureaucratic hierarchy.

Storey: P-M-C, you mean?

Burke: Yeah. And I think there was a need to make some significant changes, to break that kind of stranglehold they had. But what they offered did not–I mean, went well beyond that.

Congress Did Not Allow the 1988 Reorganization to Proceed as Planned

First off, the Congress didn't let them do what they wanted to do. They had to leave the Commissioner back there with a staff of eighty people or something, which was far different than what the PMC recommended.

Secondly, they put things in Denver not so much because it was the logical thing to do, but they wanted to get it out of Washington. They knew they had to put it someplace. They

knew it wouldn't make sense to put it in each of the regions, sort of direction, so they stuck it in Denver. And so to insure that Washington wouldn't have any power. And then they moved–which was another *non sequitur*–the planning functions out of the regions because they thought the funding for planning was going to be severely restricted. That's the noises that Secretary [Donald P.] Hodel was making at that point. (sigh)

". . . they set up an impossible situation, especially for ACRM [Assistant Commissioner - Resources Management]. . . ."

And that didn't work. And they set up an impossible situation, especially for ACRM [Assistant Commissioner–Resources Management]. You know, "mission impossible." I don't care what human being . . . (chuckles) You had the smartest collection of people in the world, and still it was from the start was just not conceived well. Just an impossible task, really to do policy: First of all, high-level policy from an area that's neither in where it's related to its parent organization, the Department of the Interior, or it gets guidance from the Congress or Office of Management and Budget, the administration, where it's isolated out here and it's not really part of the program on the ground. And then to get the planning, which was sort of nuts and bolts of what's going on out where the people are, where the problems are. Didn't work.

Storey: You ended up out here.

Transferred to Denver in 1988 as Bill Klostermeyer's Deputy for Administrative Services

Burke: I ended up out here as part of the administrative side–was Bill Klostermeyer's deputy.

Storey: Oh, so he came out here also?

All of Administration Except Budget Transferred to Denver

Burke: No, he didn't come out here, but all of administration, except for Budget, all the administrative functions: procurement, personnel, and supply and services–those other things.

Storey: Facilities and all.

Burke: Except for IRM, which was already out here–came out here. So he was alone back there in Washington and had all these administrative functions, so I came out here as his deputy to do the job on a day-to-day basis for him.

Storey: What's your understanding of how this came about? What steps did it go through–the reorganization in '87-'88.

Burke: The process?

Storey: Yeah.

Burke: I wasn't privy to a lot of the decisions . . . that went behind it. I read the documents like anybody else. Until later on in the process when I had the responsibility of estimating the budget needs, how much it was going to cost to move people, to pay severance, *et cetera*, to get things done. I got to sit in on more of the things. I think my impression was that this overwhelming feeling of breaking down the bureaucratic stranglehold that Washington had over the programs, won.

Assistant Commissioner–Engineering and Research (ACER) and the 1988 Reorganization

And the other thing, from here in Denver, from the existing specialty, the ACER [Assistant Commissioner– Engineering and Research] organization– getting the administrative service center divorced from the rest of Denver, isolating that aside. That desire was so overwhelming (chuckles) a lot of things went on that the administrative people or the ASC [Administrative Service Center] got away with a lot of things they shouldn't have gotten away with. But, they were so relieved that they just . . . let things happen down there.

Storey: They moved down to Wadsworth [and Hampden Boulevard].

Overhead Consequences of the 1988 Reorganization for ACER

Burke: Yeah. One of the first consequences that ACER didn't even think about was their overhead problem. Overhead is determined based on–its distributed based on direct labor. So if ACER does a job for somebody, or anybody does a job for somebody here in Denver Center, it's based on the amount of direct labor you can charge, and the overhead is then carried on and added to that. So the more direct labor you have here in the Denver Building 67, the bigger portion is going to be–or the smaller the overhead is going to be. All those people that moved down there were doing direct labor for other organizations. So before the move, they were part of the direct labor pool, the denominator in the equation. So the overhead percentage was a lot less, until they moved down. You took away a big chunk of your denominator of your direct labor, and all of a sudden . . . And they weren't . . . You know? And you had all these administrative . . . all these administrative things were moved out, functions were moved out [to Denver] that a lesser number of people, you know, direct labor had to carry. It was just the mechanical thing that nobody thought about.

Storey: And I understand until the beginning of this month, ACRM was part of that pool supporting the lab, for instance, and that's caused a lot of tensions within the various organizations.

Burke: Yeah. That's an aside, but I think there was a lot of emotions behind it in 1988 [re]organization, that they'll show up in the paper. And I think if people had cooler heads and thought through that, I think that some of the decisions would

have been different. I think that there was a fundamental change needed in the way Washington had operated. I think it was clear. And I think that this organization the one that's coming about is going to try to address that kind of difference in attitude and culture.

1988 Reorganization

Storey: You've already mentioned a few of the things that contributed to the failure of–well, at least what some people perceive to be the failure of the '87-'88 reorganization. What are others that you think? Or was it a failure?

Burke: I think parts of it were, parts of it . . . . I think parts of it are focused more on a sort of service orientation. I think we needed to go through something in order to learn more about ourselves in terms of how we organize ourselves–how we go about doing business in a more efficient manner. I think that would come about regardless of whether we'd reorganized or not. And this way it sort of focuses on it. I think the administrative move was good, not because I was part of it, but I think in terms of . . . I think moving the administrative people closer to where the work is done, that they tend less to be rules and regulation enforcers, and more trying, seeing themselves as part of a bigger objective, a bigger plan–trying to interpret the rules so they could fit the objectives of Reclamation, more so than how we could force these rules on Reclamation. I think that was a plus. We also economized on, cut down the number of people,

reduced the number of slots we have in administration.

1988 Reorganization Reduced Administrative Staffing

Storey: Why was that?

Burke: As part of the reorganization we cut down like twenty percent of the funding and staffing for administrative functions, through a consolidation.

Storey: And that's the program that you were in charge of as Mr. Klostermeyer's deputy when you came out here?

Burke: Yeah.

Storey: What kinds of issues were you confronting at that time, trying to get the new system to work?

Burke: Basically it was this attitude of "What am I in business for? What am I trying to achieve? What value do I add to this system? Why is it that procurement personnel act the way they've traditionally done? Why is it that people criticize us for that? What is it today that's different and circumstances would make sense for us to do things differently? What does "a customer" mean? Who is a customer? Are you willing to be held accountable to a customer for the services you provide? Are you willing to enter into a contractual relationship with customers, providing him a service on a

schedule that he wants that you can provide?" Those kind of issues.

Storey: And most of those customers are within Reclamation?

Burke: Most of them were internal, yeah, to Reclamation, right.

Reclamation's Administrative Service Center (ASC) and PAYPERS

Storey: Except, I presume, the ASC has external customers.

Burke: ASC, yeah, right.

Storey: Somewhere in the back of my mind it's kicking around that the ASC was a secretarial function at some point?

Burke: No, it was . . . The nucleus of the ASC was this PAYPERS system, your paychecks and personal records. It was a system that was developed by Reclamation in the '70s. And Reclamation was assigned responsibility for providing that service for the whole Department. And Reclamation did that. When they created the ASC, they were also initially given the responsibility to develop and manage and maintain the federal finance system for half of the Bureaus in the Department of Interior, and the other half is serviced from USGS in Reston, Virginia. That's really the basis or function of the ASC. And how we got into it was the development here in Reclamation that PAYPERS system, back in the '70s. It was

a good system. Need to replace it. It's fairly efficient.

Storey: Now, let's see if I'm understanding this correctly: When you came to Reclamation in '85, Personnel was in Washington?

Burke: Uh-huh.

Storey: So it wasn't here in Denver?

Reclamation's Personnel Officer and Staff Were in D.C. until the 1988 Reorganization When They Moved to Denver

Burke: They had a personnel office here, just like a regional office has a personnel office, but the central office, the Personnel Officer for the Chief Personnel Officer, like Ray Bagely is now–that was back in Washington, he was back in Washington.

Storey: So that moved here?

Burke: Right.

Storey: Same thing for Procurement?

Procurement Before and after the 1988 Reorganization

Burke: Procurement, Supplies and Services . . . The ADP [automated date processing] or the IRM system was already out here. That was one of the few things that was here in Denver before.

Storey: So now these folks now . . .

Burke: The accounting policy was back in Washington.

Storey: Now these people perform those functions for the Washington office? Procurement, did we mention that?

Burke: Yeah.

Storey: So our Procurement Office here does Washington's procurement?

Burke: The big jobs. If it's a small job, quick turnaround, we have a contract with the Office of the Secretary to do it, where it makes sense. But for most of the big complex jobs anyway. The Personnel Office does all our personnel work. They send some[one] back once a month to coordinate.

Number of Staff in D.C. 1988 and 1993

Storey: I understand the Washington office has sort of grown–maybe now a hundred and twenty folks or something?

Burke: No, actually the number of people stationed back in Washington is about the same within plus five. The numbers you see sometimes [tend to exaggerate] the size of Washington, you add on the people that are overseas, in the foreign and international program: the people who are stationed in Egypt and Pakistan and South America, Brazil, Venezuela–all over the world.

They're counted as part of the Washington office, but they're not really there.

Storey: Oh, okay.

Burke: And then you have this media production staff out here. That's six or eight people. That's counted as part of Washington–they're not in Washington. The people actually back in Washington is about eight-four or eight-five on board. That compares to about eighty [when we reorganized]. So it hasn't grown. There's a rumor to that effect, but it really hasn't.

Storey: Well where I was heading was, are any of these functions being pulled back to Washington? Is the perception that they were mistakenly moved to Denver in the '87-'88 reorganization?

Burke: As far as the . . .

Storey: The administrative support staff.

Anticipated Changes to ACRM

Burke: No, they're going to be left intact here. No, there's no . . . The probable outcome–what [Commissioner] Dan [Beard][4] is going to be announcing soon I think–he's going to bring the responsibility for policy that rests here in ACRM–rests mostly in ACRM, some in ACER–program policy back to Washington.

4. Reclamation's history program has also done oral history interviews with Commissioner Daniel P. Beard.

But he's going to leave the ACRM people that do policy, that part of ACRM that's involved with policy, pretty much intact here in Denver. But it'll be getting direction from a Washington . . .

Storey: A "Washington ACRM" sort of. Or a replacement for ACRM?

Burke: A replacement, yeah. And there'll be a small staff back there made up of people that are already back there. It'll be a staff function, it won't be a line function, it won't have program ownership or anything. It'll be fundamentally a different way of approaching things.

Making Staff Responsible for Management of Their Budget and Accomplishment of Tasks

Delegation of authority is going to be made at much lower levels, and people are going to be offered guidance and suggestions about how to do things. And to the extent they're successful, they'll be rewarded. To the extent that they're not successful and didn't follow guidance–you know, they're not required to– we decided to go that route, and they're not successful, they're going to be held accountable. That's the way the system is going to be. But you can't force people to do it a certain way and then hold them accountable.

Storey: Because "he told me the wrong way to do it."

Burke: That's right. "I was only following orders," which is true, you know. How am I responsible

for my budget if I've got twelve people telling me I have to spend this much on that, this much on that, this much on that, and this much on that. I can only have two computers and I can . . . . It's not really my budget, I don't have authority over it. There's a lot of legitimacy there. So this policy function is going to be a lot more guidance and help in selling your services than the old tradition of telling people what they have to do, or giving them the rules and saying, "Just follow these."

Storey: Yeah. How would they, for instance, deal with an issue . . . Well, of course the history program that I would love and that I proposed a number of years ago when Deputy Commissioner Hall asked me to put it together, we put together representatives of each Assistant Commissioner, you appointed Tony . . . What was his last name? I've forgotten, but you appointed a person. Each Regional Director appointed a person and put it together and the program was outrageously large at a million-and-a-half dollars a year. You know, eight or ten staff–I've forgotten what it was exactly. But as I explained to Mr. [Joe D.] Hall, it can be cut back. But how do you deal with the problem of Joe X says "This thing needs to be done, and in order to do it properly I need . . . 'X.'" Maybe it's a quarter-of-a-million dollars, which translates into two staff people and fifty thousand dollars of nonlabor money. And the budget process results in a budget of a hundred and twenty five, or a hundred and fifty or whatever it is. How do you approach holding the person accountable for

getting the program done when you've only given them a portion of what they've asked for.

Burke: You've got to cut back on his expected accomplishments. You can only hold him accountable for the resources–to a reasonable level of outcome that's reasonable relative to the resources you give him.

Storey: Does that become a negotiation process?

Burke: Yes, it becomes a negotiation . . .

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Burke: . . . added to the program manager to try to economize when a resource is given, because he's going to be now, he's going to be rewarded for getting his job done with the least amount of resources. Not minimizing cost, but minimizing the unit price of his output.

Storey: Okay. That's interesting.

Burke: You've got to give them the right incentives, and people will behave the way you want them to.

Storey: The budget process, to many of us, you know, it just seems to consume so much time, and we don't end up with what we ask for that we know is what we need for the basic job. And I'm just wondering how you get to the bottom line.

"We encourage people to spend, rather than economize. . . ."

Burke: The government's budget process is built-in with a lot of counter-incentives, and those are the kind of things we need to address and try to change. We encourage people to spend, rather than economize.

Storey: Don Glaser[5] comment on this in his interview. He said, "I went in there and I was sitting there, and it became obvious to me that what they were talking about was not whether or not they'd accomplished their program, but whether or not they'd spent their money.

Spending the Money in the Budget Is Sometimes Not Related to the Output Achieved

Burke: Yeah. In certain circumstances, their expenditures can be a good proxy of accomplishment: for example, in construction how much money you spend on contract costs and how much money you give to a contractor in payment for work done, for placing concrete or for moving earth. It's not a bad proxy for how much work is actually accomplished. But for O&M or for GI [general investigation] or for GAE [general administrative expense], it's not necessarily tightly related to the output–it's more of an input. It's more related to input. And what you want to look at is the output.

5. Reclamation's history program has also done oral history interviews with Don Glaser.

Storey: And I take it that's going to require some changes in Reclamation's approach to doing business?

"Given the nature of our services . . . how do you measure accurately and objectively?"

Burke: Yes, there will be. This could be a big challenge. Given the nature of our services, describing what we expect in terms of accomplishment, and measuring, and how do you measure accurately and objectively? It's going to be a very big challenge. The tendency in government, in a bureaucracy–any organization–is for people to talk about their accomplishments in very broad terms, using toughed-up terms of what we've done. And that's not the kind of accomplishments we can use in objective measurement of trying to see what we've actually done. So it's going to be a challenge to come up with descriptive objective measures that we can say with some degree of confidence, "This job is well done," or "the program management here is doing well, or it's not doing well, given the resources it's been given in the process."

Storey: I notice you sort of "light up." Is this your program area, currently?

Burke: No, it's just a challenge. It's something new that we've got to work on.

Storey: You came out as deputy to Mr. Klostermeyer. What happened next in terms of your personal career?

Margaret Sibley Hired as Assistant Commissioner for Administration

Burke: Well, then there was a period then after Bill left when I was made sort of Acting Head of Administration. And that was about to be made permanent, and then they hired Margaret Sibley, who became Assistant Commissioner for Administration out here.

Storey: So you were acting Assistant Commissioner for Administration?

Burke: Yeah. Then I went back to my role as deputy, but I had a real [deputy] commissioner out here, rather than back in Washington, I was doing the day-to-day operations out here. And then, let's see, that was for, I forget, six months or so.

Commissioner Dennis Underwood Requested He Become Assistant Commissioner for Program Budget Liaison in 1991

And then Dennis Underwood[6] asked me to come back to Washington and help him out and become the Assistant Commissioner for Program Budget Liaison, along with Larry Hancock to be Deputy Commissioner in Washington, a new position. And I came back in the fall, September of '91, a few years ago, two years ago, to do that.

6. Reclamation's history program has also done oral history interviews with Commissioner Dennis Underwood.

Storey: And what does that assistant commissioner's responsibility involve?

Burke: Basically, it's . . . it's two sort of things. It's running the Washington Office, it's sort of like being chief of staff of the Washington Office, making sure that the Commissioner and Larry, as his alter ego, managing the Bureau, gets the right information, that the staff analysis is done properly, the right people get in to see him and talk to him. And it's also sort of a–I hate to say "a review level"–but it's sort of a final level or checkpoint before things go forward–anything, any document, that goes forward to the Commissioner for his signature, to Larry, that it's in the proper order, that it presents the case well and objectively, that it's ready for his signature, or surname to the Secretary, if it's going beyond. So it's sort of ultimate quality control assurance.

Storey: So what kind of programs are under you there then?

Span of Responsibility as Assistant Commissioner

Burke: Well, I've got the budget formulation function, the central budget office that's still left back there. I've got the regional liaison people, staff. I've got sort of the Denver Office technical liaison people.

Storey: I would think people like Bruce Brown and Judy Troast.

Burke: Yeah. Judy Troast, right. And I have Dick Porter's contracts and repayment staff there. Got Joe Miller's Indian Program. The foreign activities program. Just everything except congressional and public affairs.

Storey: And is that one other office, so there are just two offices basically under the Commissioner there?

Burke: Yeah. Well, there's an Office of External Affairs, which within that is public affairs and congressional affairs. That's traditionally been a political appointee's responsibility, which makes a lot of sense.

Storey: So like yesterday I needed to view a video, that's going in the Interior Museum in our revised exhibit. And I called Support Services. That would be one of the offices down somewhere in your organization?

Burke: For a video?

Storey: To view a video–I needed a machine.

Burke: Oh, oh, I see.

Storey: Am I thinking right? Larry [LeBaron] somebody?

Burke: Oh yeah, I know who you mean. That's part of the administrative office, yeah. The mailroom kind of thing, yeah.

Generalists vs. Technical Specialists in Reclamation

Storey: One of the things I'm sort of interested in is where you believe technical expertise is important in the organization. Let's see, I think I should rephrase that. How high up in the organization do you think it is important to have very specific, specialized types of professional expertise, and where does that leave off for more generalized managerial skills?

Burke: (long pause) You mean the relationship between . . . of a technical career versus a managerial or generalist's career?

Storey: Yeah, that's a good way of putting it. That's another way of putting what I'm trying to get at.

Burke: I think they're two different animals. The skills needed are entailed in certain expertise levels are a lot more demanding than a lot of supervisory positions _____. But the system, the federal personnel system itself doesn't recognize that -- tends not to recognize it until it becomes a crisis and they have to have a special category to hire these kind of people with different wages rates or something. That's an obvious flaw, but that's not a Reclamation-specific problem. I think we need to be able to encourage technical expertise, <u>real</u> technical expertise. The tendency, I think, in the federal government is to call everything technical expertise and it clouds the issue. I don't think there's a lot of complex skills involved in being a personnel officer or specialist, or even a procurement person. But the way the classifications are written, you'd think they were

brain surgeons. On the other hand, they have responsibilities in terms of engineering design. That's some fairly high-level, complex requirements. And you want the best kind of people, you want to encourage them. You don't want to necessarily–the only way you can reward them is move them up, is by giving them some sort of supervisory position where their best skills are not used by the organization. So I would encourage a dual track type of system where people would not necessarily have to be supervisors in order to gain greater remuneration for their skills. And people are happier or more productive working at the bench or whatever they're doing, at their drawing boards. On the other hand, I'd be very restrictive in terms of what we call "technical expertise."

On the other side, I would like to see more people with highly technical skills who have the capability and the desire to move up into management–to take on other responsibilities in their career development. I'd love to see somebody from ACER or ACRM go and run the Personnel Office, once Ray Bateman leaves. I think it'd be refreshing as hell! I don't want to see another personnel person who's lived all his life talking to other personnel people, getting a job. I think that'd be a disaster. But that's my personal opinion. I like to see people with real leadership skills that would benefit tremendously from this broadening experience, take on that challenge for a couple of years. Hell of an executive person could become, or something, with the broad knowledge he's gained, how different systems work.

Storey: What do you think happened to the '87-'88 reorganization? You've already mentioned some of the obvious failings.

During the 1988 Reorganization the Office of Assistant Commissioner-Resources Management (ACRM) Was Designed to Do Things That Couldn't Be Done in an Organization

Burke: I think some of the built-in . . . . ACRM was designed to do things that nobody could do in an organization. I don't think that's anybody's fault. I think it was the fault of the leadership in not thinking through a lot of it's reorganization. This is again, and I repeat this–the more I think about it, the more convinced I am–that it had some good insights into what was happening and the changes that were being made. But the changes in the organization were *non sequiturs* to those observations. They really did not fit when you looked back on it.

"The one thing we <u>don't</u> want [during the 1988 reorganization] to do is recreate another Washington bureaucracy, which is going to develop oversight and <u>control</u> and <u>approval</u> of everything anybody does–this power-hungry, bureaucratic, self-serving attitude. . . ."

They had to take the Washington power and put it someplace else. They couldn't put it in their own home region, so they put it in Denver. That's in terms of policy development and oversight and that kind of thing. Now I for one, with this new organization, whenever it comes, and I almost yelled when we were discussing

this at the EMC [Executive Management Committee] meeting. The one thing we don't want to do is recreate another Washington bureaucracy, which is going to develop oversight and control and approval of everything anybody does–this power-hungry, bureaucratic, self-serving attitude. We don't have to be that way. That's what we've got to avoid at all costs.

Commissioner's Program and Organization Review Team (CPORT)

Storey: And of course the response has been for the new Commissioner to–I guess "commission" would be the word–the CPORT report.

Burke: Some aspects of it. I think some aspects he'll [Dan Beard] adopt some other suggestions from other groups or individuals.

Storey: Do you think CPORT was on the mark largely? Largely off? Half and half?

Burke: In think in certain areas it was. It had some insight[ful] thoughts. I think in certain areas it was way off the mark. In certain areas it was unfair to a lot of–unfair criticism, I think. I think it paid too much attention to the people who wrote in–felt too much of an obligation to honor the hundred and twenty people that wrote in. I think a lot of those people were cranks who were echoing things and problems from way back in the past that had been addressed or partially addressed or being worked on. I think it was undiplomatic and caused a lot of unnecessary

consternation. I think it was tremendously unfair to the Denver Office, for example.

Storey: Yeah, some of us here did notice that (laughs) the Denver Office took some hits.

Burke: I almost reacted like I was back in Denver when I read that thing–not because I'm trying to protect anything, it's just I knew a lot of these statements were overblown and unfair. But it had some good insights in some areas, and it was a good start. It was a good start at getting the debate going and some ideas cooking. But will [Commissioner] Dan [Beard's] plan be the simpler plan–no? Part of that will be part of . . . . In this REO team heads had some good ideas that Dan has paid attention to: problems to be avoided and all. He's paid some attention to that, he's paid attention to some individuals who have commented, either on CPORT or other things.

~~Storey: We're at five o'clock. I think we could probably finish up fairly quickly, but I don't know what your schedule is.~~

~~Burke: I've got to try to try to pick up my son in a little bit.~~

~~Storey: Okay, so why don't we close it down now, and try and get a little time sometime later to finish up.~~

Burke: Okay.

Storey: Basically I think what I want to talk to you about now is what do you see as the future of Reclamation? You know, we have to build on our past. At least that's my attitude. You don't just start out new.

Burke: You can't. No, you can't make change legitimately without understanding what you're changing from–the reasons why we're here and why we're there–absolutely fundamental. If you don't understand what's gone on in the past, you're in no position to talk about how things should be different.

Storey: Well, let me ask you–we will eventually try to make these tapes into transcripts–whether we have your permission for Reclamation researchers and researchers from outside Reclamation, to use these tapes and transcripts in research.

Burke: I don't have any problem.

Storey: So you're giving permission?

Burke: Uh-huh.

Storey: Okay, thank you very much.

END OF SIDE 2, TAPE 2. OCTOBER 8, 1993.
BEGIN SIDE 1, TAPE 1 of 1. OCTOBER 25, 1993.

This is tape one of an interview by Brit Allan Storey, Senior Historian of the Bureau of Reclamation, with [J.] Austin Burke, in the offices of the Bureau of Reclamation

in the Main Interior Building in Washington, D.C. on October 25, 1993 at about 5:00 in the afternoon.

Storey: My recollection is that in the last interview we'd gotten up to the present and we were going to discuss your thoughts about where Reclamation would be going in the future. If you can do that, I'd appreciate it.

Reclamation Is Moving in the Direction the Clinton Administration Is Interested in

Burke: Okay. I see Reclamation going essentially the way the new administration is focused–not making a judgement one way whether that's the right thing. But in fact that looks like that's the way it's moving. And that if it is to have a purpose, it is along those lines. In other words, it has several functions or roles to play, first off in terms of the facilities that it owns and operates now. It can use those to facilitate, leverage, influence, some major natural resource decisions over time in terms of water usage, water efficiency, water conservation; in terms of a positive role that it can play.

"If [Reclamation] were to just continue serving its traditional constituency, I don't think it could survive financially or politically because of the outlook for basically the agricultural sector in the western agricultural sector is not very promising. . . ."

If it were to just continue serving its traditional constituency, I don't think it could survive financially or politically because of the outlook

for basically the agricultural sector in the western agricultural sector is not very promising. And with that downturn comes the movement away from the agricultural sector–income and population movement.

Weakening of Reclamation's traditional political constituencies

And with the population movement and the impact on small communities and their out-migration comes the weakening of the political influence that those traditional constituencies have, so that . . . . You know, just going in terms of continuing the status quo, even if we didn't have a major construction program, would not promise very well for the Bureau's future.

". . . if [Reclamation] does have a positive role to play, it's in the shifting water usage through efficiencies and through willing-buyer/willing-seller transfers . . ."

So I think it is, if it does have a positive role to play, it's in the shifting water usage through efficiencies and through willing-buyer/willing-seller transfers–facilitating and promoting those kind of things for other uses, including environmental uses, in-stream uses, that society seems to place a higher value on now, relative to the values of the past. I think we're in a good position to play this facilitating brokerage role. I also see us playing, sometimes encouraging those kind of behaviors through different traditional mechanisms such as government

grants to promote wiser, more efficient use of water.

Reclamation Projects Authorization and Adjustments Act of 1992, P.L. 102-575

I think that this new omnibus legislation [Reclamation Projects Authorization and Adjustments Act of 1992, P.L. 102-575] portrays the Bureau's future shift in terms–if it is going to be influencing major public works, it's going to be doing it more so in the grants sort of categories, than building things ourselves–and giving money for different purposes away to local governments to help solve their problems. And I think that those things will be done on a political basis–not in a derogatory sense, but in terms of where we can have greatest influence and where greater monetary intervention is needed in order to encourage better use of water.

Storey: It seems as if Assistant Secretary [Betsy] Rieke is talking about a lot more transfers of water to urban and municipal uses. Do you think there's a lot of legislative water transfer in our future, or do you think it needs to be more–to use some other technique for the transfers?

"I think the real constraint right now is in terms of state laws, institutions, state institutions, local institutions. Water law is very, very complex. . . ."

Burke: I'm not sure how much legislation is required. I think the real constraint right now is in terms of state laws, institutions, state institutions, local institutions. Water law is very, very complex. If

you compare it to laws pertaining to property rights for other natural resources, water is a different animal. It's very difficult to find a lot of comparable cases where you say, "People have clear title to water," versus some sort of water rights relative to a property right in real estate where you can show clear title, and it's definitive, and there can be no challenges to it. Or have a lease right on public lands.

"Water is not something that's fixed–it moves and it varies in quantity and quality over time. And so property rights and clear title are murky relative to other natural resources. So it makes water transfers more complicated than land transfers. . . ."

Water is not something that's fixed–it moves and it varies in quantity and quality over time. And so property rights and clear title are murky relative to other natural resources. So it makes water transfers more complicated than land transfers.

". . . water laws, traditional state law . . . by the way they've been set up, they have not encouraged property right transfers. The 'use it or lose it' sort of philosophy is very discouraging to water transfers. . . ."

And water laws, traditional state law, western laws, have not encouraged, by the way they've been set up, they have not encouraged property right transfers. The "use it or lose it" sort of philosophy is very discouraging to water transfers. If you're using it, then some sort of

property right is recognized, it's institutionalized. But if you're not using it for beneficial purposes, as defined by some state or local body, then you have no right to that water–it moves on, it moves downstream.

". . . the water transfer policy . . . this administration is trying to seek, is to use a market as best as possible to determine what the highest values [are], like any other . . . natural resource . . . is disposed of. . . ."

If you're next in line downstream, your use of the water might be of higher value, economic value or social value, by accident–there's no guarantee. So that the water transfer policy we're trying to seek, or this administration is trying to seek, is to use a market as best as possible to determine what the highest values [are], like any other physical or natural resource is dealt with, is disposed of.

"To the extent that we're not an impediment . . . we serve a real purpose [encouraging] states and local governments to seek change in the way they view water laws and water property rights, and to facilitate those transfers . . ."

To the extent that we're not an impediment in moving towards more market-based solutions to water transfers, we serve a real purpose, to the extent that we encourage states and local governments to seek change in the way they view water laws and water property rights, and to facilitate those transfers through operations and policies which do not

. . . constitute an impediment . . . towards water transfers, we're doing a real service. ~~So I think that's . . .~~ And to the extent that we have some influence, either control or store, or have some sort of influence otherwise on an extremely large percentage of the water in the western watersheds and river basins, we have a real opportunity to play a positive role.

Storey: Back when you were in the Secretary's Office, and I believe it was the Office of Policy Analysis . . .

Burke: Uh-huh.

Storey: You worked under quite a range of Secretaries: Morton and Kleppe, Andrus, Hathaway.

Burke: Uh-huh.

Storey: Could you run through them and discuss . . .

Burke: Watt, Clark, Hodel.

Storey: Good. Could you run through each of them and discuss their attitudes toward Reclamation and western water development for me?

Rogers Morton, Secretary of the Interior

Burke: To the extent I can. To the extent I can recall, or can recall them reflecting on it. The first one was Rogers Morton. I think Morton recognized at that time–this was the early 70s–still the very powerful influence that Reclamation and its

relationship with the Congress had in Washington.

"I think he recognized that he was not in a position to make significant policy changes or to institute reform back then. . . ."

I think he recognized that he was not in a position to make significant policy changes or to institute reform back then. That was not high on his agenda. I think the political ramifications or stakes were too high for him to take that on. He was informed of some of the big issues. He knew that reform was being called for by various interest groups, and that logically or intellectually that a lot of those were in the right direction. I think he had bigger, other interests, than taking that on at that time.

Caspar Weinberger at Office of Management and Budget

I think the same was true for leaders in that administration, like Caspar Weinberger when he was head of the OMB [Office of Management and Budget]. At that time he was very much aware of it. He said to me he's not going to take on the Bureau of Reclamation or did not choose to take on the Bureau of Reclamation or the Congress at that time.

I think the others, throughout to the end of '76 and throughout the Nixon-Ford administration pretty much reflected that same attitude. Kleppe, I don't think had much of a different idea. Kleppe was a very sort of

charming, engaging, local politician. His background was sort of in local politics. He understood the give and take.

Hathaway was here for a month. Not much I can say.

Cecil Andrus, Secretary of the Interior

When it came to Andrus, Andrus had his own–he very much had his own opinion of things.

Cecil Andrus and Jimmy Carter's "Hist List"

One of the first things that he was hit with when he became Secretary was this "hit list" that was brought out by OMB. And publicly he supported it because it was part of the White House strategy, but privately, or at least, internally, he was very, very disturbed by the approach because he knew that politically it was unworkable. He let people internally know of his displeasure.

Storey: When you say that it was unworkable politically, is that because it was approached poorly, or it was just simply not workable? the hit list, I mean.

Carter's "Hit List" Pitted the Administration Against the Congress

Burke: Just, you know, you were confronting Congress, you were bracing Congress, a good portion of Congress, with a adversarial attitude. They were

not consulted at all, they had just appropriated funds for a lot of these projects. And so what happened is, you pitted the administration against the Congress. And the Congress, regardless of the merits, were going to fight you to the death. So as it turns out, I think Andrus was influential in making the best of a very ugly, difficult situation, and making recommendations as a compromise on how to rather than do away with, but change some of these projects.

". . . what happened was, I think these projects . . . on the hit list received more vigorous support on the Hill and better funding . . . than they would have . . ."

So they created some task forces for each project and worked on making recommendations for maybe changing something or doing something a little different with CAP [Central Arizona Project] or Garrison–those projects that were on the hit list. I think through that, that kind of minimized the damage. But in effect what happened was, I think these projects that were originally on the hit list received more vigorous support on the Hill and better funding–the outcome was that they received higher funding than they would have, had not there been a hit list. You know, in the long run it was to the advantage of these projects to be called into question, to be on this hit list.

Storey: (laughs) Okay. Let's see, I think Watt was the next Interior Secretary.

James Watt, Secretary of the Interior

Burke: Watt (laughs) is an interesting character.

"He [James Watt] had a death wish–he wanted to take on the Washington establishment and the media. And he was going to go down in flames. And it was a self-fulfilling prophecy. I mean, he did, but he went down over really a stupid, silly, trivial statement–dumb . . ."

He had a death wish–he wanted to take on the Washington establishment and the media. And he was going to go down in flames. And it was a self-fulfilling prophecy. I mean, he did, but he went down over really a stupid, silly, trivial statement–dumb–rather than in glory. He was a fairly–he was a clever sort of guy, and he also knew a lot of people in the Department when he came back–he was Deputy Assistant Secretary here in the Department for a couple of years and then ran the Office of Outdoor Recreation, and he knew a lot of people. When he came back he remembered, he had a very good memory. He was dyslexic, I think, and that really helped him in his memory. In fact, it almost overcame some of it. He memorized things to overcome his reading disability.

James Watt Knew a Lot of People and How to Get Things Done in the Department

So he knew a lot of people throughout the Department, and he knew how to approach them and get things done throughout the organization, not just at the top. It was a big advantage for him, being the head of the Department–he just

wasn't a figurehead. If he was interested in something, he'd go down and talk to somebody who's a GS-12 or 13 and rally their support and get them started in the mid-ranks and get other people to work on things.

How James Watt Dealt with Paul Tsongas' Opposition to His Appointment

And he was, to a lot of people's surprise, a very charming type of person. He could be very, very charming–when he wanted to be. I think it was obvious in his confirmation hearings when he visited with Senator [Paul] Tsongas as you recall. Tsongas was on the Interior Committee–or I guess it was Energy and Natural Resources at the time. Anyhow, Tsongas was opposed to him, Tsongas was a strong environmentalist and liberal Democrat. But he visited with him and he went out to dinner with him afterwards and Watt charmed the hell out of him–"Just give me a chance, see what I do." And Tsongas was taken with that, and he supported his confirmation. That's quite a . . . and Watt knew how to use that kind of thing when he wanted to.

James Watt and Changing the Name of the Water and Power Resources Service Back to Bureau of Reclamation

I think his first . . . encounter with the Reclamation policy was very early on. He wanted to–the previous administration had changed the name of the Bureau of Reclamation to the Water and Power Resource Service,

"Whoppers." One of the first things he did when he came back here was change the name to the Bureau of Reclamation. It was very symbolic to him, just to change that name.

Storey: Was that because he was interested in Reclamation? Or . . .

Burke: He was interested in sort of needling the previous administration saying that. "Things haven't changed, this is still a traditional western water agency. And I'm going to make sure . . . It had a proud history and I'm going to make sure it gets its name back."

James Watt Supported Reclamation

Under Watt, the funding for the Bureau did fairly well, although given inflation at the time, I'm not sure it really held its own. But you know, in the current dollar-wise, it did very well for itself in terms of construction funding. And his interest in the Bureau really piqued when it was challenged. It was sort of laissez-faire if nothing was happening, nobody was trying to take on the Bureau or have an issue or something. But when it was challenged, he was its big champion.

William Clark, Secretary of the Interior

Clark–and I was never, got as close to him or could understand him as well as Watt or Anderson or (unintelligible). Clark liked the Bureau. Clark really was interested in the Bureau. It's my observation, when I was in the

Department, it could almost do no wrong. Now I can't explain that, I can't get into the man's head or tell you, or never had a conversation with him about it, but the Bureau [of Reclamation] was like the favorite Bureau almost to this guy. He wanted to give it more work or get more work for it. He encouraged it, he got into the San Bernardino or something–one of the projects down there was going to supply water to the Naval-Marine base down there in Southern California–never worked, because of endangered species or something, never worked out. But he felt very, very close to the Bureau.

Storey: Where was Clark from?

Burke: Clark is from California. He was a judge, came in with Reagan, and he was chief of national security. And he got tired or disgusted with that and wanted to be on the cabinet, so after Watt left, or was forced out, they asked–he, I think, requested . . .

Storey: Am I remembering Clifford Clark?

Burke: No, it was . . . . I've got a mental block now. (pause) William Clark.

Storey: William Clark, okay.

Donald Hodel, Secretary of the Interior

Burke: Judge Clark, he was called. He left, and after about a year, a little more than a year, went back to California to his ranch or something. Hodel

came back from Energy. He was Secretary of Energy and then he came back over here as the head of Interior.

Storey: Previously head of the Bonneville Power Administration.

Burke: He was head of Bonneville Power under the . . . in the Nixon years. And he was Undersecretary for two or three years–two years, I guess–when Watt was Secretary. And then he was named Secretary of Energy after Edwards left, I guess. He came over here in late '84, early '85 as Secretary.

Now, Hodel had an intellectual concept or idea. Reclamation was really doing things beyond what needed to be done. It's main thrust no longer served the public interest. He wasn't public in that, but you could read that in some of his decisions.

"Let's get the projects <u>done</u> that . . . There's no way politically we're going to stop. . . . let's run these things and schedule as fast and efficient as possible. . . then we'll worry about new starts or other things, if they happen to make sense."

He didn't think that most of the projects we were trying to build now or were cost effective. He tried to do away with the General Investigations Program, tried to bring it down almost close to zero. He looked at that as a threat of bringing on new projects, and we shouldn't be building any more new projects. He was very forceful in his . . . Finally being able to talk to him . . . He

was a hard guy to get to because he had a "palace guard" that was very protective of him. But once we had an opportunity to talk with him, he was very, very forceful in terms of a construction policy for Reclamation, "Let's get the projects done that we've got underway that we know we're going to complete. There's no way politically we're going to stop. Let's get them done, let's run these things and schedule as fast and efficient as possible. Get them done, and then we'll worry about new starts or other things, if they happen to make sense."

Donald Hodel Supported Large Increases in O&M

He was also, after a while, after a lot of discussions, supportive of large increases in operation and maintenance for our projects, recognized they were underfunding those and asking for trouble in the future. So it was under his leadership that we really got a more rational budget approach in policy that we sold publicly on the Hill. It achieved a couple of things: It put us on a course, more efficient schedule for construction projects. "Let's work on those things we've got substantially underway." And it helped us on our own in receiving maybe two hundred percent increase in O&M over a few number of years, three or four years. It turned out to be very helpful. This is from a guy who was basically saying, "You've outlived your purpose, your traditional purpose." That's not saying he would not support another mission or something, but at that time, toward the end of his regime we had the 1988 reorganization.

Donald Hodel Liked the 1988 Reorganization Because it Weakened Reclamation's Political Influence in Washington, D.C.

And he liked that reorganization, principally because it removed most of Reclamation from Washington. And the reason he liked that was it got us [for] a large part out of the political arena, and therefore it was more difficult for us to lobby for traditional projects and things like that. Also made it more difficult for us to lobby for new direction or something too. Took us "out of sight, out of mind" from the Congress and everything.

I got to know him pretty well. Had some off times to sit down with him and talk. He came out to Denver at the end of his term, end of '88. Spent the last couple months of his term in Denver. He needed a place to stay, so I gave him my office out there on the fourteenth floor. We had some pretty good chats and talks. Smart guy.

Storey: He retired there or something, didn't he?

Burke: Yeah, then he's working. I guess he does consulting. But he lives up in Silverthorne. He loves to ski.

Storey: He must love to ski Loveland then.

Burke: Well, you know, Keystone, Breckenridge, that area around there.

Storey: What else should we talk about? Anything when you were in the Office of Budget at the Secretary's Office?

Growth of the Office of the Secretary of the Interior

Burke: I don't know what . . . if this is relevant or something, but when I first came over to the Department in 1972, the Office of the Secretary was relatively small–I'm talking about including Assistant Secretaries for PMB [Office of Policy Management and Budget]–they had different names–they had one for policy and programming, and one for administration–that group of organizations that works for the Department, not for any single Bureau. And they've grown. When I was there, there was some increase in things like the Office of Policy and the Office of Environmental Review and things like that where they felt they needed a more comprehensive view or analysis of programs than just from one single Bureau perspective. Those offices have grown even larger and larger. I'm not sure they do, even with an increased number or resources, I'm not sure they do as much work as there was in the past. I'm not sure what that portends. But also the administrative offices, Procurement and IRM [Information Resources Management] and all, have grown tremendously.

END SIDE 1, TAPE 1 of 1. OCTOBER 25, 1993.
BEGIN SIDE 2, TAPE 1 of 1. OCTOBER 25, 1993.

Growth of the Office of the Secretary Slowed Decision Making Processes at the Bureaus

Burke: In a way, it's sort of been disadvantageous to the Bureau and other bureaus too, because it's really slowed down decision making processes: simple–getting mail out, for example–all the way up to major decisions. It's just a tremendous bureaucratic web you have to fight through, a lot more than there was twenty years ago.

Department of the Interior Responsibilities Have Shrunk

I think the Department's responsibilities have not grown, but have become less since then, especially with the formation of DOE [Department of Energy]. And we've also lost, to the Department of Labor, we lost the Mine Safety Administration. And to DOE we lost a big chunk of the Bureau of Mines, the Bureau of Coal Research, which were big responsibilities, big bucks, a big chunk of the Department of Energy out there–now billions of dollars.

Storey: WAPA [Western Area Power Administration] went over there?

Burke: WAPA, the power marketing agencies: Bonneville . . . All the power [marketing bureaus]: Western, Southwestern Power Administration; Southeastern Power Administration; Alaska–they were all part of the Department of Interior. Plus you had Water Quality here, which went to EPA [Environmental Protection Agency] when it was formed. I think there's something else. We

picked up Surface Mining as an additional responsibility, but that hasn't really proved a lot.

"So the bureaucracy has grown, the departmental responsibilities have diminished, and the process has become less and less efficient, and it's difficult for the Bureau to function . . ."

So the bureaucracy has grown, the departmental responsibilities have diminished, and the process has become less and less efficient, and it's difficult for the Bureau to function, or even to succeed in that kind of atmosphere.

Storey: What immediately leapt into my mind was–has the increased number of staff in the Secretary's Office meant that there's more involvement of the Secretary's Office internally in Reclamation's business?

"The question is whether there's value added. . . . My own personal opinion, there hasn't been a great deal of value added by that tremendous input. . . ."

Burke: I think so–and this is not only in the Bureau [of Reclamation], but all bureaus. The question is whether there's value added. Now we'll always complain–you know, any bureau will always complain when somebody else from the outside looks in and has a different opinion or something. So it's difficult for us to judge that type of situation, whether it's good or bad. My own personal opinion, there hasn't been a great deal of value added by that tremendous input.

And I think that's the kind of thing that the National Performance Review and the Vice President's [Al Gore] report is trying to take on when it talks about headquarters staffs and bloated headquarters staffs and the number of accountants and budget analysts and procurement specialists, personnel specialists, at the headquarters–that their job is to look over other people's shoulders and critique–questions the value added of that, and that makes recommendations of downsizing, especially at those levels.

Storey: Another twist, I think, on a similar question is–has that increase in Secretarial staff meant a shift in responsibilities between their office and our offices? Or are the responsibilities still split pretty much the same way?

"It's an increase in oversight type of responsibilities. . . ."

Burke: I think the responsibilities are pretty much split the same way. It's an oversight. It's an increase in oversight type of responsibilities. They haven't really taken on responsibilities with carrying out programs that we've previously handled and thus making judgements. And the attitude seems to have been–and some people recognize it–the attitude seems to have been that left to our own devices we were going to go back . . . to the old ways. We were just going to be dishing out the money to agricultural interests. I think we made tremendous change and progress in that regard, despite this sort of

attitude or oversight, rather than received help from.

Storey: One of the things that's often hard for people is that when they're involved in change, or when they're close to it, they don't see the pattern of the change. If you were to try to step back from Reclamation and look at it and say, "This is the way we have changed," what would you say? Do you see a pattern there?

"I think the Bureau as an institution has made very strong and fundamental efforts to change–more so than the pressures from outside have dictated. . . ."

Burke: Yeah, I do. I see a pattern of change that people internally saw was necessary. And I don't think . . . some of it was very vague in terms of identifying the needs for change, or to how we're going to change. It wasn't well focused early on, but at least it was there. And I think the Bureau as an institution has made very strong and fundamental efforts to change–more so than the pressures from outside have dictated. And I would give credit to the Bureau for that.

Storey: And what kinds of changes have been made?

Burke: I think we have shown real interest in terms of defining values for the kinds of services we deliver. I think, let me give you an example, the traditional perspective of the Bureau was that "beneficial use" was defined in a very limited way. That was to deliver water for consumptive use, and for the most part, agriculture, and

secondarily to municipal and industrial water supplies–also power production. And if water ever got to the ocean, it was sort of non-beneficial use, it was sort of "wasted." We've come a long, long way–attitude has come a long way in terms of in-stream use values. A couple of weeks ago I was up in Garrison. I had to go up to give a speech for Dan Beard who couldn't make it–dedication of the Wildlife Management Area there at Lone Tree Reservoir Site. And that whole project now is just fundamentally . . . the recognition and the resources that are going into wildlife uses–beneficial uses, how that water is being redirected is amazing. I mean, this is not something that people are grumbling about around there. Bureau of Reclamation employees that have been there a number of years, they're accepting this and doing a good job and working hand-in-hand with the Fish and Wildlife people. It's amazing. There has been some fundamental change in attitudes: I think a lot more than some in the political system are willing to acknowledge. I think [Commissioner] Dan [Beard] is probably surprised that he's seen more change than he expected to see. I believe that's true.

Storey: How would you characterize him as a Commissioner?

Dennis Underwood, Commissioner

Burke: Well he's very much different than Dennis [Underwood]. Dennis was very detailed. He was a very detailed person and loved to delve into the details and get involved and roll up his

sleeves. Dan is more focused on a few issues. He's very up front on what he's interested in. Dennis wanted to prove to the world we could do a lot of things: that fundamentally and engineering-wise we could do a lot of things and get a lot of use out of the water and benefit a lot of people before he was willing to say, "We have to make a trade-off," which is very . . . I mean, there are very few people in the world like that, that are that hard-working and optimistic. He had a beautiful attitude.

Dan Beard, Commissioner

Dan is more focused on what he thinks, given the amount of time he has and what he wants to put his attention to. And he's willing to trust other people with those other things, with other matters that will do OK. And it's not that one is right and one is wrong–just very different approaches to the thing. Dan is going to be good for the Bureau for a number of years. It's especially helpful to us, because he's someone who politically is respected by the Administration, and he can get cooperation from his Leadership and the Secretary. That's going to help us, more so than the previous administration. I think that was Dennis's biggest disadvantage. It wasn't his fault, but he was not close in the loop or the political powers to be in this Department.

Storey: I think that's all I have, unless you have any other topics you think we ought to talk about.

Burke: That's fine.

Storey: The change in the Secretary's Office was very interesting. I'm glad you raised that.

I'd like to ask you if you are willing for Reclamation researchers and non-Reclamation researchers to use the tapes and transcripts from this oral history interview?

Burke: I don't have any problem.

Storey: May I take that as permission?

Burke: Yes, yes, yes.

Storey: Good, thank you.

END SIDE 2, TAPE 1 of 1. OCTOBER 25, 1993. (END INTERVIEW)
BEGIN SIDE 1, TAPE 1, DECEMBER 3, 1997.

Storey: This is Brit Allan Storey, Senior Historian of the Bureau of Reclamation, interviewing J. Austin Burke, formerly the Director of the Program Analysis Office in the Bureau of Reclamation, on December the 3rd, 1997, at about one-thirty in the afternoon in Building 67 on the Denver Federal Center. This is tape one.

I think the last time we talked, in '93, you were still here in Denver, and I believe you were the head of the Service Center, was it?

Burke: '93 when you talked to me, I was in Washington.

Dennis Underwood Requests Burke Move to D.C. as Assistant Commissioner for Program Liaison and Budget in 1991

Storey: Really? Okay. Tell me about the move from Denver to Washington, then. What had happened there?

Burke: I moved in '91. Dennis Underwood asked me to move back to Washington to help him in the Washington office. I was part of a reorganization he did. He created a Deputy Commissioner, and I moved back as Assistant Commissioner for was it Budget Liaison, something like that, Program Budget Liaison or something.

Dennis asked me to move back there then. I was out here as Deputy Assistant Commissioner for Administration. He asked me to move back there because, when he first came on in '90, he didn't know much about me, but I think I–let's see. Sometime in early '90, Darrell Mach,[7] who was the Program and Budget Chief back in Washington, had open-heart surgery and was out of commission for several months. That was sort of peak budget time, and I was asked to go back and take Darrell's place for a while until he got better. So that's what I did.

7. Reclamation's history program has also done oral history interviews with Darrell Mach.

While Acting as Budget Chief During Darrell Mach's Recovery from Surgery He Had Worked with Dennis Underwood

It was during that period of time and at some of the debates and discussions with the PMC that Dennis, I think he noticed that I had some knowledge, sort of a broader perspective on Reclamation than just piecemeal, and I think he felt that he wanted somebody back there that had that kind of broad overview and grasp, so he asked me back there.

Burke's Service in the Senior Executive Service (SES)

Storey: Were you SES [Senior Executive Service] at that time?

Burke: Oh, yes.

Storey: When did you become SES?

Became a Supergrade in 1974

Burke: I was grandfathered into the SES. The SES started in 1979, I guess it was initiated. I was a supergrade back then in the Secretary's office. I was a GS-16 or something. And then when they converted to the Senior [Executive] Service, I was grandfathered in–1979. I think I was a supergrade first in 1974.

Storey: Well, when that conversion took place, did they then require you to take training in order to

qualify for SES or you were completely grandfathered?

Burke: No, I was completely grandfathered in. It was a level 4, SES level 4.

Storey: What was Dennis looking toward doing, and why did he–well, you've already talked about why he had you, but what was he assigning you to do?

Burke: What he was looking for, I think, was somebody who had experience in Washington and who had a grasp of where Reclamation was and could go–was not locked into the past or necessarily into any narrowly focused direction. I think that, in a sense, that's what he was looking for.

Storey: What kinds of things was he doing to move Reclamation?

Commissioner Dennis Underwood Wanted to Accomplish Reclamation Projects So That the Maximum Number of People Benefitted

Burke: Dennis, at the time, was looking for ways to recognize that the political climate had changed and to do things in a way that would enable Reclamation to continue some of its traditional services, construction services and all, but still do it in a way that was environmentally at least neutral, and possibly even beneficial. He was a great believer in engineering management that would accomplish all things for at least many people.

"He [Dennis Underwood] did not like the idea of tradeoffs . . . He was very willing to examine anything so that he could achieve as many objectives as possible without sacrificing gains in other areas. . . ."

He did not like the idea of tradeoffs, if we do this, then it's going to cost us so much in the environment; or if we try to achieve this environmental objective, then it's going to cut down on the amount of water we deliver, *etcetera, etcetera*. He was very willing to examine anything so that he could achieve as many objectives as possible without sacrificing gains in other areas.

Storey: Sitting here now looking back, did it work?

"So it was a classic example of an engineering kind of person coming up against the very extremely short range, please-me-now environment of Washington politics. . . ."

Burke: Well, I think from an engineering sense it was possible, but within the constraints of the politics and the short time horizon that politics in Washington and the federal government has, in that context his philosophy was up against the wall, because people didn't have the kind of patience that he had or were willing to put in the time and expenditures it would take to achieve this kind of achieving all the objectives. So it was a classic example of an engineering kind of person coming up against the very extremely short range, please-me-now environment of Washington politics.

Dennis Underwood's "Strategic Plan"

Storey: What about the Strategic Plan? What was he envisioning for that?

Burke: That sort of embodied his whole approach and philosophy that eventually Reclamation could do all things, or many things, and avoid a lot of tradeoffs, that we could be both environmentally helpful and develop new water resources. It was very extensive.

"He got very upset when people suggested that we have to establish priorities. . . . He thought by setting priorities we would shortchange our ability to do a lot of things. . . ."

He got very upset when people suggested that we have to establish priorities. He thought that was premature, that we needed to work on a Strategic Plan and develop, say, everything we could do in every area, and not admit to the need for priority setting until it was absolutely necessary. He thought by setting priorities we would shortchange our ability to do a lot of things.

Storey: But doesn't that sort of diffuse the Bureau's energy if you don't have priorities?

Burke: Yeah, it can, especially in the kind of political environment that the Bureau has traditionally worked and the kind of political obstacles it's been up against.

I don't think very many people understood him very well. It was sort of the classic, very

positive, very high-energy level type of person that wants to do a lot, achieve a lot, against the very cynical political, let's-do-what-looks-good-and-necessary-right-now atmosphere that's found in Washington. It was bipolar. You were at two extremes there.

Storey: What was his work style like? How did he get along with people, that sort of thing.

"Dennis usually got along with people very well. He had a lot of charm, he cared about people, and he drove himself. . . . But he didn't drive other people. . . ."

Burke: Dennis usually got along with people very well. He had a lot of charm, he cared about people, and he drove himself. I mean, he worked very hard himself. But he didn't drive other people. He didn't put expectations on other people the way he did on himself, in most circumstances. Sometimes he would get frustrated, but for the most part, he worked himself very hard, but didn't impose that kind of behavior on others.

Storey: When you say he worked very hard, could you give me an example?

Dennis Underwood Wanted to Read Everything and Accomplish a Lot

Burke: He would get in early in the morning. Sometimes he got into the building and had to wait before they opened the garage doors, and that's like six or six-thirty in the morning in Washington. Then he'd stay late at night, ten-thirty or so. Or he'd go home

at eight and come back. And he'd want to read everything. He'd want to look at all documents and read them. It wasn't like he was frustrated or driven. He enjoyed it. He seemed to be at peace with himself. He just loved it. He had a very positive outlook that he could accomplish a lot. If he put a little more effort in, he could accomplish a lot more.

Storey: If he did such long hours, did that mean that other people in the office did the same kind of hours?

Burke: No. I mean, I was usually back there later than most people, but he was always later than I was. But, no, he didn't demand it of others. He didn't expect it or demand it. This was a time in his life when he really enjoyed it. It was his hobby and everything else. He really liked it.

Storey: Well, this wanting to read everything, did that mean that there was a bottleneck there?

Burke: Sometimes there was. It could be at times.

Storey: Now, did you stay in the same position throughout his tenure as Commissioner?

Burke: Yes.

Storey: And he had brought you back. And then he went away, and who was acting– I've forgotten now–between Dennis and Dan Beard?

Burke: Larry Hancock was Deputy [Commissioner], and I think he was Acting. There was an Acting Assistant Secretary, Don Glaser.

Storey: Yes. It's always interested me that Don Glaser was appointed Acting in a Republican administration and then promoted in a Democratic one. How does that work back there for the SESers? Does politics play any role in that, or what goes on?

Burke: It all depends on personalities and circumstances, who you know, what happens. Don had a good reputation for being someone who knew a lot about Reclamation policy, water policy, had an interest in it, I think had some experience with–I'm trying to remember if he was engaged in the negotiations with the Central Arizona Water Conservancy District at the time of the change in the election. It could have been, so he would have had, might have had an association with or had some sort of connection with Secretary [Bruce] Babbitt. It's hard for me to recall exactly what the connection was.

Dan Beard, Commissioner

Storey: But then here came Dan Beard over the horizon, I think maybe a little unexpectedly for Reclamation.

Burke: Well, nothing is unexpected in Presidential elections or something as the result of changes in parties. You don't know what you're going to get. I mean, you don't know.

Dan was actually a pleasant choice for most of us that had been around. I had some experience with the previous Democratic administration, the [Jimmy] Carter Administration, and Dan was the Deputy Assistant Secretary that dealt with the Bureau of Reclamation back from 1977 to early

'81. So a lot of people had memories of Dan and got along with him well. So, I mean, that wasn't a big surprise.

I guess the surprise was, hearing it first, his interest in becoming Commissioner. That surprised a lot of people. Hell, we could have gotten a real crazy or something, but Dan, as his history demonstrates, too, is a very sharp individual and really an astute manager of a large organization. That usually doesn't come from people whose most experience comes from the Hill, but he really knew what he was doing and how to do it and had an idea of what he wanted to do.

Storey: Tell me about that. What was it he was doing and wanted to do?

Dan Beard and Change at Reclamation

Burke: Well, I think he came in with an idea, one, that Reclamation was changing. He had an understanding of that, was trying to change, was trying to do things. But he wanted to make that change in a way that was not traditional, that was not bureaucratic, that was not heavy-handed.

He had a sense that if he could get the cooperation of key levels and middle-management levels in the Bureau in making some sweeping changes in the way we did business–i.e., in delegating responsibilities to the field, much greater responsibilities to the field–then he could succeed, because he saw a lot of potential for making changes.

Storey: Did he know what changes he wanted to make, or did the organization shape those changes more, or was it a combination?

Burke: It was a combination, but I think he had some fair vision of what he wanted to do.

Storey: And what was that?

Burke: What was what?

Storey: What was it that he wanted to do?

Passing Responsibility to a Lower Level and Reclamation and Attuning Staff to the Interests of Broader Constituencies

Burke: He wanted the field level to, with delegated responsibility, to be more attuned to and sensitive to a broader constituency interest, and he sensed that that wasn't going to be a big change for them because the pressure was there on them to do so. Well, the political pressures were there for them to do so. He thought that at the project level that if the ~~Project~~ Area Managers, they're called now, worked with their constituency group and get them to understand the necessity to recognize other interests in the management of the Bureau's resources, that would have a better chance than doing that from some central edict. So it was a very practical approach to making change.

Issues in Reclamation Trying to Change Itself

Storey: One of the interesting things about this, I think, is that the Commissioners since Ellis Armstrong,

beginning about '70, right after Floyd Dominy left Reclamation, had known that there needed to be change in Reclamation, and every time they sort of got down to making a decision that would actually change the [bureau] ~~agency~~, they were unable to do it, I suspect because of sort of the inertia of reputation and tradition in the [bureau] ~~agency~~. Yet when Beard came, he actually began to make the change, and one of the places where it sort of bubbled to the surface was in Assessment '87-88. What do you think was changing?

Congressional Constraints on Change at Reclamation

Burke: Well, when you say the inertia of the Bureau to make change, I don't think it was so much historically from Armstrong or from Dominy through to Dan so much an inertia that was the effective constraint on the Bureau's changes. I think it was more Congressional and the makeup of Congress, especially the House of Representatives and the representation from the rural areas of the West and their influence on the politics and the administration of natural resource programs, especially in the West.

Agriculture Began to Have less Political Clout in the West and That Permitted Change–Beard Wanted Reclamation to Recognize That Change

That changed gradually, and they lost out. There was more reorganization, less political clout for agriculture in the West. It was changing, and what Dan did was allow and encourage the Bureau, at the

project level, to recognize that change and accommodate that change in a very gradual manner, but to start that process, and I think that worked. It eliminated a lot of the high-level hand-wringing about major changes that tend to come about through highs, that come down from the central administration or something. When you do that, when you get it out of the Washington, most of the change out of the Washington climate, then it can happen without a lot of Congressional fear.

Storey: Interesting.

"He saw the change . . . reduction in power that the agricultural interests had in the West . . . urban interests and the environmental interests were growing [in power] . . ."

Burke: He realized that, and he saw the change when he was up on the Hill. He saw the change and the relative reduction in power that the agricultural interests had in the West. And the urban interests and the environmental interests were growing, and his connection in Congress represented that growing interest.

Storey: That's very interesting. I'd like to explore, though, why you chose the House rather than the Senate. As a historian, I tend to think of the West having more power in the Senate because it has more Senators than comparatively in the House it would have members.

Why the House Represents Urbanization in the West Better than Does the Senate

Burke: The House reflects more the change in urbanization to where you start from in the late sixties or sixties or fifties til today. I mean, the representation of Congress, the power of the rural areas was greater in the House, so the change is greater in the House than the Senate. The Senate is sort of a constant.

Storey: Okay. So now, if I'm hearing what I think I'm hearing, you're saying that there was an evolution going on in the House, in particular, where it was becoming less influenced by agricultural interests, more influenced [by] urban and environmental interests.

Burke: Absolutely.

Storey: And Dan Beard recognized that and consciously took advantage of it?

Burke: He was part of that. Sure.

Storey: Ah.

Reclamation Projects Authorization and Adjustments Act of 1992, P.L. 102-575

Burke: It culminated in that Reclamation omnibus Reform Act that Dan helped write and pass in October 1992, just before the election. When you look at that committee–Interior committee that he worked on, and it was the natural resource committee.

Committee Make-up in the Congress Changed as the Power Bases in the West Shifted

When I first got into Interior, Wayne Aspinall was the chairman, and Bizz Johnson from California was the subcommittee chairman. There were champions of Reclamation and western water rights and irrigation projects and the CAP [Central Arizona Project] project, and the participating projects were passed then and the last big project authorizations came. Since that time, look how that committee has changed. Even disregarding the change in administration, Democratic majority to Republican majority, the interest in the rural West and irrigated agriculture and all has really waned. It's very much less.

END SIDE 1, TAPE 1. DECEMBER 3, 1997.
BEGIN SIDE 2, TAPE 1. DECEMBER 3, 1997.

Sometimes Reclamation Projects Are Inserted in Legislation to Attract Support for Some Other Initiative

Burke: You tend to only see legislation that's favorable to Reclamation if it's part of another package that's–well, they'll put out some Reclamation-favorable legislation in order to attract folks for support of another initiative. That's what that omnibus Reclamation bill was all about, where you got some development and you had all the reform in California.

Storey: I asked Dan about it, and he said, "Well, you know." I think it was $5 billion total price for that or a billion or something.

Burke: Oh, no, it was much more than that.

Storey: Whatever it was. You put together something like that and offer everybody something, and you've got a sure-fire winner, is in effect what he said.

Burke: That's right. But it had a hell of a lot more reform than it did traditional development. Anyhow, he was part of all that, and he saw the change. That didn't happen because of one guy's magnanimous personality. It was a movement. It was a shift in the relative political representation.

Storey: Let's explore this a little further, though. One would think that with that kind of shift in emphases that you would have, for instance, more interest in reforming water issues, reforming the grazing situation on the public lands, the mining situation on the public lands, all sort of long-standing traditional Western issues. Yet, it never got to that point. What do you think was going on there?

The Senate Is the Biggest Obstacle to Reform of Natural Resources Exploitation on the West's Public Lands

Burke: That's where the Senate comes in. You've got some hot political issues that are still not there in terms of the shift, and the Senate is the biggest obstacle to those kind of reforms. They're like manhood, they're challenges to the manhood of the West. They're very emotional issues that you've raised. The Western interest in the Senate will stand up to that.

Storey: Yes, they've always been seen as the people who put on the brakes and make sure that issues are fully explored and considered and things aren't done in the rashness of the moment and so on.

Burke: When the [Bill] Clinton administration came in and they had their new initiatives, and one of them was taxing water rights or whatever the hell it was, I forget. It was raising revenues, additional revenues from water deliveries, and the other was grazing reform. It was just they were shooting themselves in the foot, almost as bad as the "hit list" in the start of the [Jimmy] Carter administration. It was bad political judgment, poor political judgment, and most of the heat to that came from the Senate side.

Dan Beard's Approach to Changes at Reclamation

Storey: Well, when Dan came, he was obviously going to make changes, and my impression is that he was hoping to make changes in a different way than anybody in the past would have made changes. Can you comment on how his approach compared with approaches in the past dealing with reorganization, dealing with RIFs [Reduction in Force], whatever that satellite of issues is, in your view.

Burke: You know, he sensed that if he was to be successful, he was not going to shove something down the throat of a big organization that was skeptical, even though they knew him and he personally had an easygoing way about him, manner, people liked him. Most people that knew him liked him and liked to work with him,

regardless of where he was coming from or political situation.

He sensed that he wasn't, in observing others, he wasn't going to shove something down their throats, but rather he was going to sort of work on some fundamental ideas and try to get some buy-in, and get buy-in by getting the organization itself, the guts of the organization itself to come up with ideas that were either his own or were very close to his own that would lend momentum in that direction that he saw. He had the–what was it called, the CPORT or whatever it was, that kind of thing.

Storey: Commissioner's Program [and] Organization Review Team.

Burke: Whatever, yes. He got the guys in there that were at the field level that had a lot of enthusiasm, that were frustrated with old-time bureaucratic bullshit, and they put in their report. Some of the stuff was in line with his, some of it wasn't, and he tweaked it around so it was a package that got the momentum going, and he gave them credit for it, you know, so it was a groundswell. He was very clever that way, very good.

National Performance Review (NPR) and Flattening the Organization

Storey: One of the things was flattening the organization.

Burke: Okay, yeah, and that was, part of that, that was really something that was administration-wide, Clinton administration NPR [National Program

Review], whatever the hell they call it, the [Al] Gore initiative about reinventing government. Part of that, we had no choice in that.

So what Dan said is, "Okay, we have to do it. Let's do it in a way that makes sense to us, and we can take credit for doing it." So, you know, that was part of his strategy.

". . . our construction program was falling off, and the design and construction work here in Denver . . . has a two-year lead time. . . . So he realized that . . . [the] engineering design organization, was too heavy, given where we were in the construction program . . ."

I think the other part was the reality that our construction program was falling off, and the design and construction work here in Denver was already feeling–it has a two-year lead time. In other words, the peak of construction is felt in the design a couple years before that. So when your construction goes down, your workload in design, your actual pre-construction kind of centralized work, goes down a couple years before. It has a couple year lead time. So he realized that was, you know, a fact of life that what was once an organization that was a world-class design organization, engineering design organization, was too heavy, given where we were in the construction program now and where we were likely to be, given balanced budget and the change in the development of the political climate, anti-development political climate.

"We had no choice. We had to [make cuts] in a way that we could manage that was as gradual and gentle as possible, or we would wait till the last minute . . . then have huge reductions in force, *etcetera*, . . . because we hadn't planned it out. . . ."

He saw that as a necessity to reduce the kind of levels that we had, both here and Denver and in the regions, but most of the impact was here in Denver. It wasn't something I don't think he saw as, "Yes, I'm going to do this," or, "I'm going to cut this organization," or something. We had no choice. We had to do it in a way that we could manage that was as gradual and gentle as possible, or we would wait till the last minute and avoid it and then have huge reductions in force, *etcetera*, furloughs and those kind of things, because we hadn't planned it out. Part of that whole reinventing government, he realized he had to do anyhow, so he just brought the two together.

Storey: And the retirement buyouts, I guess you would call them.

"The retirement buyouts really softened the cost and the pain of flattening out the organization and the reduction in our design and engineering levels. . . ."

Burke: They came along as part of the thing. The retirement buyouts really softened the cost and the pain of flattening out the organization and the reduction in our design and engineering levels. I think you would have seen a lot more people out on the street, involuntarily out on the street, if we hadn't had that opportunity to use those early

buyouts that were offered. So it was fortuitous, the timing was, but when he saw the opportunity, he jumped on it and said, "We're going to use this to the maximum extent to soften this blow, this pain."

Storey: I remember going in and talking to him one time in an interview, and I said, "Well, what's changed?"

He said, "Yesterday 10 percent of my work force retired," something like that.

In Denver, the staffing levels went down. My impression is that in the regions they went down some, but mostly what they did was migrate around. They went from the regional office out to area offices.

Regions Moved People Around and Used Buyouts to Soften the Reorganization

Burke: Well, they did that, plus the buyouts really helped most of them escape big reductions in force, putting people on the street, putting people out of work involuntarily. So the buyouts really benefitted the regions.

Storey: Also.

Burke: Also, besides Denver. It softened Denver, but still, I don't know the exact numbers, but I still think there was somewhere between 75 and 100 people that were out on the street in Denver. It could have been a lot worse if it hadn't been for the buyouts.

Dan Beard Plans Regarding Reclamation SES Positions

Storey: I believe one of Commissioner Beard's stated goals was to reduce the number of SESers.

Burke: I think he saw that at first, because that was part of the flattening out the organization that came from on high, that came from the Vice President's office and the Department. So he saw that, "Yes, we're going to reduce the numbers," but I think after a while he realized that, given the numbers throughout the other parts of the Department of the Interior, that Reclamation was pretty light on that end, anyhow. I think he reconsidered some of that and didn't really push on that.

Storey: The rumor that the staff was hearing was that the Secretary told him he couldn't, because if he–

Burke: Couldn't do what?

Storey: He couldn't reduce the number of SESers, because if he pushed an SESer out, the SESer would have bumping rights throughout Interior.

Interior Determined That the Competitive Area for SES Positions Was Department-Wide

Burke: That's one thing that the Department came to a conclusion on is that with reductions in SESers, forced reductions in SES levels, that the competitive area, whatever it was, was department-wide, and that if you ran a reduction in force in Reclamation for SESers, or any place else, that all parts of the department were vulnerable. So you'd have seniority rights in SES jobs someplace else, so it would be pretty chaotic. So the department

backed off– fenced off the SES from forced reductions in force. I don't know if the Secretary was aware of that or got involved.

Storey: Or Personnel did it or something.

Burke: Yes, I think the Assistant Secretary PMB would be very sensitive to that, and I think that's where it probably came from.

Storey: And PMB is Program, Management, and Budget?

Burke: Correct.

Storey: Eventually, Dan Beard had to place everyone.

Burke: When you say had to place everyone–

Storey: He had to pick who was going where to do what, I presume.

Dan Beard Staffing Shifts

Burke: Oh, you mean, in the SES?

Storey: Yes, the SES thing, in the SES group. Can I get you to talk about why you think what happened happened?

Burke: When you say what happened happened, what is what happened? Remind me.

Storey: Well, you became the Director of Operations. The Deputy Commissioner, Larry Hancock, was passed over and eventually became a Regional Director.

Burke: Yeah, he was reassigned.

Storey: Don Glaser became the Director of PAO. Bill McDonald went outside to the Solicitor's Office in Sacramento. Terry Lynott went outside to, what is it, the National Association of Conservation Groups or something, and so on. The rumor we got was that everybody went to a meeting, I think in Salt Lake, and some of the people were invited to leave.

Burke: I don't recall that. I don't recall that meeting and I don't recall that happening any way like that.

Storey: Okay, good.

Burke: It was like musical chairs, and somebody didn't have a chair at the end. No, I don't recall that. I don't know. Salt Lake doesn't even ring a bell to me.

Storey: Well, nobody else has talked about this so far.

Burke: Okay. I don't know. It was funny, the day that Dan had a press conference and announced the reorganization, I came back to his office that evening and I talked to him, because I was curious about what I was going to do.

Informed Commissioners Underwood and Beard He Wanted to Get Back to Denver Where His Children Lived

My main concern was that I had an understanding with Dennis Underwood when he brought me back that I could go back to Denver in

a couple years, '93 or so. That's what his plan was, but unfortunately the election got in the way and he was no longer Commissioner. I'd told Dan that earlier they were my hopes and my plans, because my kids are back here, etc., etc., and I was willing to go back for a couple years to do some work, but I really wanted to come back here–be with my kids. I talked to Dan early on, and he said, fine, he understood that, but he would like me to stay around in Washington and help them for a year and a half or something like that. So I stayed on.

But I went back to him and I said, "Look, Dan, I don't know where I am in this whole organization, but my main concern is, I do really want to get back sometime soon to Denver."

He said, "Yeah, okay, but I want you to do this job, Director of Operations."

I was surprised, because I didn't think–I think there was another job. I forget. But there was speculation that Larry was going to get that Operations job and I was going to get another type of policy job or something. I forget what it was. It escapes me. But anyhow, he said it was going to be Operations, and it really surprised me. I said, "All right, I'll do that, but my main concern is to get back to Denver." That finally did work out later.

I never had a conversation with Dan prior to that about what I was going to do in the new organization or anything. I wasn't worried. If I was worried, my main concern was, "If I don't get

back to Denver, I might take an early retirement or do something," you know.

Storey: Well, we ended up with you in the Operations position, Don Glaser in the PAO position, and Ed Osann[8] in Policy and External Affairs.

Burke: Policy and External Affairs, right.

Storey: None of them a traditional type of Reclamation manager in terms of their training or their background, I would think. Was this part of the reorganization that was going on?

Burke: You say none of them. Myself, Ed Osann, and–

Storey: And Don Glaser.

"It seems to me that the head of organizations, when they reorganize, they reorganize around people that they understand or feel comfortable with . . ."

Burke: Oh, Don Glaser. You know, I don't think it's extraordinary in any way. It seems to me that the head of organizations, when they reorganize, they reorganize around people that they understand or feel comfortable with or something, and I think it's explained that way.

8. Reclamation's history program has also done oral history interviews with Ed Osann.

"I've known Dan for a long time, . . . sometime in the mid-seventies, . . . and then later I really got to know him a lot better when he was part of the transition team for the Carter administration in 1976, and I was the liaison from the Secretary to the transition team. . . ."

I've known Dan for a long time, I guess sometime in the mid-seventies, when he worked for Congressman [Sidney] Yates, and then later I really got to know him a lot better when he was part of the transition team for the Carter administration in 1976, and I was the liaison from the Secretary to the transition team. I was like the go-between between the Secretary and the new administration that was coming on. He was one of two people who was on that transition team, and I got to know him pretty well then. And then when he was Deputy Assistant Secretary and afterwards when he was on the Hill, I'd go talk to him or see him. We seemed to get along very well.

Storey: But this isn't a matter of him walking in in '93 and very quickly appointing you without any prior knowledge, then?

Dan Beard Also Knew Don Glaser and Ed Osann

Burke: No. And he had some familiarity with Don Glaser, because Don was back in Washington for a couple years, and he'd gone and worked with him when he was up on the Hill and Don was in Washington. Ed Osann he had known for years. He was a confidant of Dan's, and Dan really admired him and trusted him.

Storey: Well, you went from your assistant commissioner's position, which I believe was administration and budget, basically?

Burke: It was program liaison and budget.

Storey: What's program liaison?

Burke: Program liaison, I think it was Assistant Commissioner for Liaison and Budget or Program Liaison and Budget. It was sort of program coordination.

Storey: With whom?

Burke: With all of the Regional Directors.

Storey: Their programs? I don't quite understand what–

Burke: The main job of Reclamation.

Storey: So what kind of a transition was it to become Director of Operations?

Burke: It was sort of minor, it seemed to me. I mean, somebody else might have made a bigger deal out of it, but it seemed to me it was sort of a minor type of thing.

Storey: Were you supervising the Regional Directors?

Served as Administrative Supervisor for the Regions

Burke: No, I wasn't. They reported directly either to a Deputy Commissioner at one time or to the

Commissioner, but then I had that responsibility. But in reality, I mean, Dan was the supervisor, and I would be the administrative supervisor and take care of the stuff. Whether they did their job successfully or not that was really his judgment. I would give him my thoughts on it. And that's pretty much, I think, what the Director of Operations is there to do today.

Storey: What kinds of things would be elevated to that level in the organization?

Burke: When I was there, in both jobs, I saw all the stuff, all the correspondence, all the issue papers, all the communications that came in to the Commissioner, and I was like, I don't know, a traffic cop or something. Not a traffic cop.

Storey: You were a facilitator.

"I was . . . responsible for quality control, see if something was in good shape . . . or if it needed further information . . . I also had authority . . . to sign off on stuff, to keep stuff off his desk that he didn't need to . . . spend his time on. . . ."

Burke: I was pretty much responsible for quality control, see if something was in good shape for either him to sign or him to see, was an issue or something, or if it needed further information, I'd get it back out. I also had authority, under both Dennis, and maybe even more so under Dan, to sign off on stuff, to keep stuff off his desk that he didn't need to use his time on, spend his time on. I'd just sign to get it moving and not get it caught up.

Storey: This was operations kinds of stuff?

Burke: Yeah.

Storey: How were the responsibilities split up between the three directors?

Burke: Which three directors are they? Current ones?

Storey: Well, the Director of Policy and External Affairs, PAO Director, and the Director of Operations.

Burke: Policies kind of stuff, Glaser and Ed would work closely together. But again, I saw mostly everything. I mean, everything that came through, came through me. I knew I had the sense of what Ed was interested in, and if the stuff was there, I'd give it to him. I know I had a sense of what he was interested in, I'd give it to him. Otherwise, I'd send the other stuff to Dan, operational stuff to Dan, or I'd sign off on it myself.

Storey: Operational things, does this mean at that level, where it has been, in effect, bucked up from the region? What kinds of things were you seeing?

Burke: Everything. Everything that needs the Commissioner's signature or approval.

Things the Commissioner Needed to See

Storey: OK, what is it that needs the Commissioner's signature or approval? What kinds of things?

Burke: Issues on particular projects that are hot, all Congressional correspondence, all budget stuff, any legislative reports.

Storey: Things responding to Congressional [inquiries]?

Burke: Yes.

Storey: I don't think the gate broke at Folsom while you were there. Maybe it did.

Burke: I was here.

Storey: They needed $50 million suddenly, or whatever it was. Is that something that would have been elevated to the Washington office, "We need an extra X number of dollars, and we don't have it in our budget"?

Burke: Oh, yeah.

Storey: And how would it have been handled? What was the process? Would that request have come to you from the Regional Director?

Burke: It would come to the Budget Director back in Washington, who worked for Operations. We would figure out a way of doing it, either finding it someplace else or using the Department to exercise some emergency authorities to spend money in a way not ordinarily authorized.

Storey: How about getting involved with water users? How did that happen at that level? Or did it?

Water User Visits to D.C.

Burke: I would see a lot of the water users that would come into Washington. I would see them. A lot of times Dan wasn't there, and they would visit with me. There were sometimes when they would come to visit Dan and I'd sit in. But for the most part, I'd try to split up the work, like I wouldn't be trying to cover everything he did, vice versa. But that was just a matter of personal judgment on my part. I mean, there are no rules or anything. I grew a lot more comfortable in trusting people, trusting him, trusting others, without me having to be on top or having to control everything, or to duplicate everything if something was going to be handled by him.

Storey: What kinds of issues would they come in for, the water users?

Burke: More money, small loans, contract negotiations, Safety of Dams problems.

END SIDE 2, TAPE 1. DECEMBER 3, 1997.
BEGIN SIDE 1, TAPE 2. DECEMBER 3, 1997.

Storey: This is tape two of an interview by Brit Storey, with J. Austin Burke, on December the 3rd, 1997.

Limitation issues. I sort of hear you saying you're a filter that keeps some of the extraneous stuff away from the Commissioner.

Burke: That's part of it, yeah, and that's a really important part, I think.

Storey: How do you filter out who has an issue the Commissioner should see and who doesn't?

Burke: Judgment. You have to be careful about ego issues or things, but you've got to use your judgment, get your own ego out of the way.

Storey: For instance, did you ever have to say, "Hey, this is the wrong level. Go back to the region?"

Burke: Yep.

Storey: Is that something that happens often?

Burke: Yeah. When I was back there, yeah.

Storey: I know Dan very much believed in delegating.

Burke: Yeah.

Storey: What about issues like management meetings? Was your office handling that in those days?

Burke: When you say management meetings, what do you mean?

Storey: Where you get all the Regional Directors together with the Commissioner to talk about issues, for instance.

Burke: Policy, EMC, your PCP.

Storey: Yes, whatever you want to call it.

Burke: Whatever you want to call it, the Regional Directors and the–

Storey: And whoever else the Commissioner wants.

Dan Beard Spent a Lot of Time on Managers' Meetings

Burke: I played a role in that, but he did a lot of that himself. He was very much involved in a lot of that directly and put a lot of time in that kind of thing. Or mostly with a broader group, with the Area Managers. He spent a lot of time working on those kind of meetings with Area Managers, because he wanted to get that going. He wanted to institutionalize that and get them feeling comfortable and feeling confident in their new roles and with their new responsibilities. He wanted to get them really feeling like it's going to be a long-term part of this organization.

Storey: And did it change?

Burke: Yeah, I think so. I think it did. I think he knew how to sort of nurse that along, and it has. It's had a tremendous impact. He also told me that he thinks that with this kind of change in the organization, he said maybe 25, 35 percent of the area managers at that time or something got it, could understand it, could do it, and the rest of them were probably fumbling along. But he said, "Over time, it'll get better."

Storey: What about at the regional director level? Did the outlook and the way they organized themselves change there, too?

Burke: I think there was fairly good acceptance on the regional managers' level themselves, at that

particular level, about that this change was real and it was coming about and it was probably a good thing. At other levels of the regional offices, there was a lot of skepticism and worry and concern that they were losing their authority and power, and it sort of left them in the dark about their real role was now and the fear that Denver's been thinned out and we're next. There was a lot of anxiety at that level, it seemed to me, that I observed.

Issues Inherent in Moving Responsibility down in the Organization

Storey: One of the tensions that I've observed, both in the regions and in the Denver office, particularly in the PAO function, is concern that, because we're distributing so much responsibility and so much authority out to the area offices, that we're losing quality control.

Quality Control Requires Delegation of Responsibility

Burke: That's a risk that's inherent in any kind of movement like this, a management change like this. And that's a concern we ought to have, and it ought to be in the front of our minds. But it doesn't mean that it's a 100 percent tradeoff kind of thing, we can't have quality control without the delegation. We've just got to, in some areas we've got to do better and get a little tougher in the quality control things and say, "Hey, this does not measure up to standards."

Storey: But yet not be dictatorial about it.

Burke: Right.

Storey: So how do you do that?

Burke: It comes with time. There's never a perfect way of doing things. But it seems to me that we went through a period where we delegated authority, and we gave people a chance to get used to it and to give them leeway and a lot of flexibility. Now I think is a time that we ought to be putting our energies in making sure that we have standards that achieve the kind of consistency that's necessary and that we make sure that those standards are applied and that they're followed. And when they're not, we call people's attention to that, call them on the carpet; and when they are, you give them more leeway.

Storey: More rope, as it were.

Burke: More rope. And when they don't, you know, "This is not the right way to do it, and you're not going to do it this way." The delegation of authority and getting responsibility doesn't mean that we can do things willy-nilly, depending upon any standards or lack of standards thereof. It seems to me that standards and procedures and guidelines are even more important in this kind of decentralized environment.

How Guidance Needs to Be Used When Responsibility Is Pushed Lower in the Organization

Storey: But you didn't say regulations, or not the right term, maybe.

Burke: Now, regulations, formal rulemaking is not something that Reclamation usually deals in, and the reason that is, is because we've traditionally dealt with our constituency through contractual relationship, through repayment contracts, so we haven't had the necessity to deal with the public vis-à-vis rulemaking.

Now, as time goes on and we've gotten away somewhat from very project-specific authorities into more broader authorities with the Endangered Species Act and NEPA [National Environmental Policy Act], we're more affected by broad authorities, and as time goes on, we'll be getting more and more into the rulemaking type of mode, where there's a consistent arm's length fair dealing with the broad public and public beneficiaries.

Storey: I'd like to explore a couple of different examples I happen to know about. I don't want you to think I'm espousing anything here, but I happen to know a lot about cultural resources. We were in the process of developing new Reclamation instructions as this reorganization all began, and as we started developing those, we were told, "No, you can't say that. You can't require them to do this." That was very frustrating to us to back off and figure out a new approach.

As it was, we figured out a new approach, where I think we basically said, "These are the laws you have to follow." That was the instructional part of it, and then the rest of it was suggested guidance kind of thing. From your perspective, what

was going on there as we were trying to deal with that issue?

Burke: It seems to me that, in my experience, the natural tendency of a large organization or bureaucracy is, when they're required to do things in a certain way or to achieve certain outcomes, are to, from the central administrative perspective, to lay very rigid requirements on the people in the field that they have to do it. In a lot of cases, those sort of rigid rules or guidelines or whatever, policies, don't fit the particular circumstances or needs in a particular area. Over a broad spectrum, they sort of get lost. The central bureaucracy is isolated in those kind of anomalies or consequences, even though a particular constituency here in this particular area is getting screwed by it. And it's much easier to administer a program that way.

Now, when you decentralize and you're trying to gain consistency in areas where there's a lot of varying circumstances, in many cases the central administrators have no good concept of what their rules or policies or guidelines are doing in a particular area. But the local managers do, and the local managers, if they're given the proper flexibility and the proper incentives, have the ability to want to understand what the objectives of the rules or the consistency guidelines are and find ways that they can achieve those outcomes or those objectives, using different means.

Unless you give those local managers that kind of flexibility, you're always going to have all these problems that just don't work in this particular area. The result might be up here in this

area and down here in this area, so, on average, it looks good. But you've got every frigging Congressman in the neighborhood complaining, because in my particular area it's up here, down here. They don't feel the average. Nobody really achieves or gets an average result, or very few of them.

So what you try to do is, you try to set out what you're trying to accomplish in guidelines or policies, and you give as much flexibility to the local manager as possible to achieve those guidelines in a way he thinks is going to work in his area. I think that's what it's all about. In a bigger sense or in a sort of broader sense, some of the regulatory agencies in Washington, in the federal government, the EPA [Environmental Protection Agency] and all, found that performance standards or dictating inputs or procedures or processes is not a very efficient way of doing it. Whereas you require results or outputs or outcomes and you let some industry determine how best to achieve those. Usually works a hell of a lot better, much more efficiently, much more cost-effectively, than trying to tell them how to do it. Tell them what you want, and let them figure out how to do it.

Storey: How is it working?

Burke: I think we've got some successes. I think we still have some weak points. I think that there's still a sense out there sometimes, I detect that, "Don't tell me what to do. I've been delegated authority. You have no right to come in here and say that I need to do this or that." I think that that's something that's

experienced at the regional level from the area offices. I think it's experienced from the region to Denver or the region to Washington. There's sort of an aversion to any sort of guidance or central suggestions or something.

Storey: Are you aware of anybody who has, for instance, been marked down on a performance appraisal or reprimanded because they didn't do something they should have done? This is a real concern among people who perceive that we've lost the quality control or the control of the organization.

Burke: That people aren't getting disciplined for not achieving?

Storey: Yeah.

Burke: Under this system.

Storey: Yeah.

Burke: Yeah, I think so. I mean, I don't know how mechanically neatly it's worked, but I think there have been people that have felt the consequences of poor performance.

Storey: Now, we're not talking about Newlands Project, are we?

Burke: No, that's an anomaly.

Storey: That's a different issue.

Burke: You know, life is unfair. That's really not a good sign of anything, except some of the dark side of the political influence.

Storey: Let's explore this a little further with a different kind of an example. Environmental statements. Not too many years ago–I don't know exactly when this began to transition–the area, or the project in those days, would do the environmental documentation, whatever it needed to be. Then it would be reviewed in the region. This is for the larger projects, obviously. Then it would be reviewed in Denver for technical sufficiency, and it would be reviewed in Washington for political sufficiency. And now most of that review is gone.

One side of the argument is, this [review] was necessary in order to make sure all the bases were covered, or not covered, as the case may be. The other side is, it was a long bureaucratic, troublesome process. And it has now been pretty much eliminated. From a management perspective, from where you sit, how do you see this issue? This kind of an issue, I mean. It's happened in a lot of areas, as I understand it.

Burke: The reduction in review?

Storey: Review and making sure the technical base is covered, the political and so on and so on.

Burke: Here's basically where I am on that or come from on that. You take the requirement to do an environmental analysis and you determine where that's going to be done and you estimate how much it's going to cost and you determine what the

preferred alternative and the other alternatives, *etcetera, etcetera* I think that preliminary work is critical, and I think the work that's done in the first draft is critical. And then after that, the more review, the worse it's going to get.

The bureaucratic process does not improve, a review process does not improve a product. It usually tends to absolutely make it late, not timely. Time, to me, is a quality. And secondly, in many cases, and I think in the majority of cases, makes the product worse, because people have to do something or change it in some way. It's got a different focus applied to it at different levels, and it just becomes an incoherent document. If we never have a review, I think we're better off. Now, this is an anathema to a lot of bureaucrats. I'm not saying you never review anything, but if your choice is to review it thoroughly or not review it at all, I would go not review it at all.

Storey: And just make the local manager responsible?

Burke: Yeah. Unless you get it the first time and understand about what the analysis is and keep it simple, then it's lost. It's just a downhill role from there. The only time a review is going to have some positive effect, if it's the traditional environmental, if somebody says, "This is no good," and they start over and rewrite it for them.

Storey: Where you redo the whole thing.

Burke: Yeah. And you want to avoid that. That can't be a pattern. You want to avoid that. You've got to do it right. You've got to plan it out. You've got to

get your really good resources, thinkers, looking at the problem early on and defining, in simple terms, what the situation is, what they're trying to do, what the preferred alternative is, and what some other alternatives are which make it legally sufficient. So you need some really bright people from early on, including lawyers, that'll give you the legal sufficiency, but then you really need the analytical fire power, brainpower, to keep it simple, and keep the fucking bureaucrats out of it.

Animas-La Plata and Central Arizona Project

Storey: One of the things that's been happening, of course, we've had fewer authorizations. The last really major authorization was 1968, the Colorado River [Basin] Projects Act, I think it was. But we still have these lingering things. CAP is sort of winding down. Animas-La Plata is sitting there sort of saying, "Do I germinate and grow or do I not?" What kinds of issues did those kinds of projects cause for you as Director of Operations or for the Commissioner?

Burke: When I was back there–it's funny you asked about . . . CAP, when I was back there, it was always a problem of final cost allocation and then the final contract. So it was just pre-where we are now. We're still in litigation, but the people have broken off. It was getting very highly politically charged, very dicey over, you know, a few hundred million dollars, which in Washington terms or long terms is decimal dust that people would wring their hands about or something, but a lot of emotional principles involved there. The regional office did a really good job, I think, and Bob Johnson, [who]

was working on that a long time, did a wonderful job. He's a very reasonable guy.

Animas, it's funny, I was involved in that with Dennis about the restart of Animas back in 1991, I guess. I went out there with him to Durango, and they had a start-of-construction celebration. They had some fake powder and fake dynamite. And then the need for a revised supplemental Environmental Impact Statement, those issues were hot and heavy. The budgeting for Animas year-in and year-out with Dennis and then with Dan. Dan had me go out and talk to the project sponsors, who's here in Denver. I was back there, but had me come out here and sort of absorb the frustrations and the anger that was coming out of them because, in their perspective, we were playing games, we weren't budgeting enough to get the project under way. So I was sort of the whipping boy on some of that. It was interesting.

Storey: What do you think is going to happen with Animas and why?

Burke: My guess is that ~~something that~~ this Animas Light, the thing that the Indian tribes, the Utes, are pushing or advocating, something like that will come about. I think there will be enough pressure in Congress to live up to their attempts to resolve the water rights dispute for the Indians, and I think the political pressure in Colorado will be such because it would leave such–a just a large cloud of uncertainty over Western water rights, Western Colorado water rights, until this thing is resolved.

The Indians have been very patient with this. Whether the project design is good or bad, it was Congress's attempt back in '87 or so to settle Indian water rights dispute, and this is what the Indian tribes wanted. They didn't want cash. And they wanted to have some benefits going to non-Indians, agricultural benefits going to non-Indians, too, and this is what they wanted. They didn't want to take their benefits and run and leave them. So I think that eventually Congress was going to reauthorize this thing, and I think something eventually's going to come. This Animas Light kind of concept will come about.

Storey: What about CAP? What do you think's going on down there with the lawsuit?

Burke: I haven't followed it really closely in the last year. I think there could be a breakthrough. See, the thing with CAP is, the thing was designed too large, too big, too soon, and its success was premised on this assumption that there would be a large world demand for cotton, that the cotton demand and the cotton markets wouldn't fluctuate. That hasn't proved true, and so agricultural production in Arizona, central Arizona, have not lived up to expectations, their demand for water, their ability to pay for water, to act as an interim financial vehicle until the population growth of Arizona is able to take over, to consume larger amounts of water.

". . . Arizona's grown population-wise and urbanized tremendously fast, but still not fast enough on the schedule that was presumed for the Central Arizona Project. In an area short of water,

the irony is, you've got a lot of excess water there that you can't sell. . . ."

That's pretty amazing, too, because Arizona's grown population-wise and urbanized tremendously fast, but still not fast enough on the schedule that was presumed for the Central Arizona Project. In an area short of water, the irony is, you've got a lot of excess water there that you can't sell. So why do I say it's too big, too soon? There it is right there. The proof is in the pudding.

"The big political issue is . . . who has to pay . . . all these sunk costs that are involved? The Central Arizona Water District doesn't want to. They want to minimize the bite . . . and they would like to see the federal government assume a large chunk . . . by serving Indian water rights. . . . "

The big political issue is, who takes the fall for that or who has to pay the consequences of all these fixed costs, all these sunk costs that are involved? The Central Arizona Water District doesn't want to. They want to minimize the bite on them, and they would like to see the federal government assume a large chunk of that fixed cost by serving Indian water rights. That's the real issue, who gets to bear the financial burden or the relative distribution of financial burden of these fixed costs, excessive fixed costs, and my guess is that the federal government will wind up holding the bag for a lot of that.

Storey: Uncle [Sam].

". . . what do you do when you build something on a political basis rather than a sound businesslike basis . . ."

Burke: But, or something? It comes home to roost.

Storey: That's what happened on CAP?

"It's [CAP's] oversized. It was built too soon. . . . you've got all this population growth, and still they can't consume the amounts of water that are available there. We have excess water in the desert. . . ."

Burke: Yep. It's oversized. It was built too soon. Look at it. I mean, you've got all this population growth, and still they can't consume the amounts of water that are available there. We have excess water in the desert.

Storey: Let's see, what else was going on while you were in Washington still? What about Indian issues? How would they affect your office, if at all?

Indian Water Issues

Burke: I'm trying to remember. Yes, I had the Indian office under me. Joe Miller was back there and ran that office. Joe was pretty, he was an amazing guy. He had a lot of energy and a lot of interest. He had a good heart. I mean, he really was interested in the welfare of Indians. He did a really good job. Sometimes he was hard to understand. He'd get all excited, and it was hard to understand what he was saying and all, communication-wise.

I had sort of a fundamental trust that he was doing the right thing, so, you know . . .

Storey: At that time, what kind of role did we have in Indian water rights settlements and that kind of thing?

Burke: We were doing most of the staff work for the department. Financially, we were paying for most of the staff work that was done in Indian water rights settlement. But we were getting more and more into technical assistance to Indians, besides water rights, too.

Storey: Like Mini Wiconi?

Burke: No, not so much Mini, but training, doing little things on–Mini Wiconi is a big authorized project. We were doing other things besides Mini Wiconi in helping Indians.

END SIDE 1, TAPE 2. DECEMBER 3, 1997.
BEGIN SIDE 2, TAPE 2. DECEMBER 3, 1997.

Burke: Plan for their future water needs, and technically had to do little small projects and all. There was some really good stuff that was going on.

I think that's the high point. It's not really a big deal and not a whole lot of . . . but it was really a high point. I think Dennis and Dan both appreciated that and they felt good about it, and I don't think, to their credit, they didn't try to extract a lot of public relations kind of stuff. They'd just know it was right, and they did it.

Storey: What about Job Corps? Was that under your . . .?

Burke: No, it wasn't. When I was here before, before I went back to Washington, when I was here '88 to '91, I had responsibilities for Job Corps, and that was interesting.

Storey: So that isn't handled out of the regional offices?

Burke: Well, there's two regions with Job Corps Centers. We have five Job Corps Centers. There's three in one and two in another region. But it's centrally coordinated here in, I guess it's Human Affairs now, Human Resources part of the RSC.

Rural Water Supply Projects in the Dakotas

Storey: What about something like Mini Wiconi? It's not a traditional kind of Reclamation project? Or is it?

Burke: Well, when you say it's not a traditional one, in the Dakotas they've been working on rural water supply projects. Now, that's sort of a slightly different animal than irrigation. What it is, it supplies water to rural districts, rural farms, and the water is for culinary use and also for cattle. It's not distributed sprinklers, but it'll supply drinking water for animals and farm houses.

That stuff's been going on for a number of years in the Dakotas. The WEB Project–I think it was the WEB Project. WEB, and then there was– see, I'm getting old and I'm forgetting my projects. I never used to forget my projects. But Garrison has a big rural water supply project. Most of the Garrison money has been spent, or a lot of the

Garrison money has been spent on rural water supply. And that type of thing under that and under the–what was the other one? Was it WEB? It might have been WEB. We would supply grants to the state. The state would design and manage these construction projects, thee pipelines in Dakota farms and all across the state. We would supply a grant, maybe 75 percent of the cost we would give them, and it wouldn't be Reclamation property or something.

The Mini Wiconi is the same way. Mini Wiconi was, I think it was called the Mid-Dakota Project. They had trouble getting it authorized, the sponsors, the non-Indian sponsors, so finally they wised up and got involved with the Indian tribes in those regions in South Dakota and made it an Indian project, wrapped an Indian blanket around it and got Congressional sympathy and Congressional authorization, and it was called Mini Wiconi. The name of the project changed to Mini Wiconi.

Now, to their surprise, because it was an Indian project, it was redesigned as an Indian project, the Indians said, "Hey, this is our project, and we're going to run this thing." So they lost control of it. So the Indians took it over and simply manage it. It's interesting. But it was originally a non-Indian project.

Storey: But did they get their water supply out of it, the non-Indians, I mean?

Burke: Yes, or at least a good chunk of them did, yes.

Storey: I think that's been finished now. I mean, completed.

Burke: No. Mini Wiconi?

Storey: Yes.

Burke: No, I don't think so.

Storey: It's still in process?

Burke: Yes, it's still in progress, yes. Yes, it's got another few years to go.

Storey: So how would Reclamation be involved? We just turn over the money?

Burke: Yeah. It's a grant type of arrangement.

Storey: We don't do design?

Burke: No.

Storey: Do we do oversight?

Burke: No. I don't think we do, unless we do it under a contract with the Indians, they hire us as a consultant in a contract. But that's the concept.

Dan Beard, Ed Osann, and Water Conservation

Storey: You were there when Dan Beard was sponsoring a lot of water conservation things.

Burke: Yeah.

Storey: Improved toilets in Los Angeles and various other kinds of things.

Burke: A lot of that stuff was Ed Osann's initiatives.

Storey: So it wasn't administered through the regions, or was it?

Burke: Well, it was, but, I mean, Ed spearheaded it. It was like Lower Colorado would do that southern California stuff, the water-saving toilets and the research we did up here in this DOE [Department of Energy] lab for the vertical washing machines, etc.

Storey: So that wasn't an issue for you, then?

Burke: No. Ed spearheaded that. It was Ed's interest that Dan agreed with him on. Ed had a lot of experience prior to getting to Reclamation in those areas.

Storey: As I understand it, some fairly large sums of money went in there.

Burke: Well, what do you mean?

Storey: A few million dollars.

Burke: Yes.

Storey: It seems like a lot of money to me.

Burke: Peanuts compared to our, you know. We still have an annual operating budget of a billion dollars or something, with all our revolving funds and

everything. It was very small compared to–and I think it was highly efficient. I mean, really some pretty big payoff in terms of cumulative water conservation results, some of that stuff.

Storey: But taking the money and putting it into that didn't affect Reclamation somewhere else?

Burke: Well, I mean, you know, there's limited resources, and when you've spent something one place, you can't spend the money someplace else, or as much money someplace else. So you can't say it didn't have an effect, but I think it was probably a pretty good investment.

Storey: Where did we get our authority for doing that, do you know?

Burke: I think we have some pretty broad authorities. I think the Secretary and Reclamation have some fairly broad authorities in operation and maintenance to promote water conservation.

Dan Beard Agreed to Move Burke to Denver

Storey: Tell me about your move out here to Denver. How did that come about? What happened?

Burke: Well, you know, I kept pressing Dan that, "Hey, I want to get back to Denver." I told him that at one point I would either come out here or I would retire. At that point, I was approaching like mid-year 1995 I would be eligible for regular retirement. I sort of put that as a goal, either I'd get back here working or I'd go on retirement and come back to be with my kids.

Dan said, "Yeah, okay, it's time." I think he knew at that time he was going to be leaving shortly anyhow, so he arranged it. And I told him that I would come out here and I'd give up my SES if I needed to in order to come out here, if there were not an SES position. But fortunately, Don left and took a state director's job in BLM [Bureau of Land Management], and that position came open, and Dan said, "Here it is." So it worked out.

Storey: The move to the Program Analysis Office, was that an interesting assignment?

Burke: Yes. It was a different type of thing, but it was interesting. It was interesting. It gives more sort of reflection time. Operational kinds of things are day to day, sort of the latest crisis or things coming up. You had more time to look back and had a broader perspective and think about what this means and where do you want to go and a longer time frame kind of thing. So it was interesting. I think a lot of change like that is good, too, for people.

Dan Glaser Moves to BLM

Storey: Do you have any perspective on why Don Glaser went to BLM, and then, what, retired almost within a year, or within a year?

Burke: Why he went to BLM?

Storey: Yes.

Burke: He might have felt sort of underchallenged out here compared to his Washington days. I don't

know. I'm not sure. But I suspect he sort of felt underchallenged. His work on the CAP negotiations had come to an end, and then they went into litigation. The Secretary changed his mind at the last minute and pulled the rug out of the negotiations. I guess he knew that Dan was moving on, and I think he felt that another opportunity or something would be fun.

He got over to BLM, and what he told me was, the tight budget situation, he didn't want to face another atmosphere of reduction in force that he'd just been through in '94 here in Reclamation, and that's what he sensed was going to be happening with BLM. So he said, "I've had enough. I'm getting out."

Don Glaser Continued Working on the San Pedro River Issues While State Director of BLM

Storey: But I gathered he continued the San Pedro [River] work while he was still over at BLM.

Burke: For the Secretary, yeah, that's right.

Storey: Well, I would like to go more, but we've talked for two hours now. Let me ask you whether you're willing for the information on these tapes and the resulting transcripts to be used by researchers.

Burke: That's fine.

Storey: Good. Thank you.

END TAPE 2 SIDE 2, DECEMBER 3, 1997.
BEGIN SIDE 1, TAPE 1 of 1, DECEMBER 4, 1997.

Storey: This is Brit Allan Storey, Senior Historian of the Bureau of Reclamation, interviewing J. Austin Burke on December the 4th, 1997, in Building 67 on the Denver Federal Center, at about one-thirty in the afternoon. This is tape one.

Reorganization and the Budget Process

We talked about the reorganization under Dan Beard yesterday quite a lot. I was wondering, did the reorganization show up in the budget process in any way? Was the budget used to shape the reorganization or did the reorganization shape it or what?

". . . the budget drove the reorganization . . . construction program budget reductions dictated that we reduce the number of employees . . . else we'd be spending money and not getting anything done . . . just taking the money . . . and spending it on salaries. . . ."

Burke: I'm trying to remember how we handled that. In reality, the budget drove the reorganization. Our construction costs, construction program costs, construction program budget reductions dictated that we reduce the number of employees the following construction budget, dictated we do that else we'd be spending money and not getting anything done, not operating our projects properly or not building anything, just taking the money that was meant for construction and new operation and maintenance and spending it on salaries. So we had to do that. So that drove it, so that the reductions were there before.

Storey: Before the reorganization?

Burke: Yeah.

Storey: And sort of pushing it along?

Burke: Or just before, so that when we went into the fiscal year ~~'94, I guess, or '95,~~ '94-95, we had our staff down to a reasonable size, manageable size.

Staff Reductions and Managers

Storey: A reorganization like that tends to be difficult for people who are going to be affected, because they're uncertain about what's going to happen and that causes tensions and things. How did the management levels react to having to deal with this issue? I think I'm sort of looking for the emotional reaction kind of thing rather than the management reaction.

Burke: It depended upon where the management was located. The senior managers here in Denver, of course, were very much affected by that. I mean, their outlook and how they dealt with issues was very evident. It was a heavy burden on them that these people were working for them and they had to oversee the reduction and people losing their jobs, and that was very difficult.

There was some concern, or at least compassion, in other areas that weren't hit as heavily, and understanding that. But the biggest impact, both on the employees and on the senior executives whose employees were most affected, was here in Denver. I was not here at the time. I

was in Washington, so that's an observation of mine.

Storey: But you would have seen it in the meetings and things, I imagine, as it was being talked about.

Burke: Yeah, right. I didn't get here until a year later, July of '95. Even then, it was still a sore subject out here.

Storey: How did the reorganization go? How did it work? I mean, the results of the reorganization, did it work well, mediocre, what?

Two Parts of the Reorganization

Burke: Well, you know, the reorganization had two parts.

Delegation of Authority out to the Field

One was sort of the thrust of what Dan was trying to do, the delegation of authority out to the field.

Reduction in Numbers of People and Jobs Would Have Occurred Even If the Reorganization Hadn't

The second part was the reduction in numbers of people and jobs, and even if we hadn't reorganized, we still would have had to do that.

So different people look on the reorganization and react to that term in different ways.

In Denver People Were Uncertain How Reorganization Would Affect Them

People who were affected, who were here and were uncertain as to what was going to happen to them or their jobs for a number of months, whether they were going to lose their job or be downgraded or transferred or offered a job someplace, when you mention reorganization, that's what it meant to them–downsizing.

In Area Offices Reorganization Meant Delegation of Authority out to Them Which Generally Meant They Were More Positive

When you mention reorganization or something to people in the area offices, it meant the delegation of authority down to the field level, and they had a more positive reaction. That's why I think you get different versions or different perceptions of reorganization and whether it worked or not for the Bureau, depending upon who you talk to and where they're located.

I think that the main thrust of the delegation of authority down to the field worked pretty well, and I think the last couple years we've given it a fair chance to work in terms of giving area managers leeway. I think it's caused some concern, in the regional offices especially, sort of concern and uncertainty about what the roles of various regional office staffs should be under this new approach.

Now I think it's time, with that development of that, this development period for the area managers to get their feet on the ground and to feel comfortable. Now I think the Bureau

has to probably focus more on its consistency and practices where consistency is needed and a better understanding of what the Bureau-wide policies and guidelines are throughout the organization, that there are still standards which we have to follow, and there are reasons for them. I think we need to put some more focus and attention on that.

Storey: When you were back there as the Director of Operations, what was the chain of command? Did you expect to hear only from regional directors? Did you expect to hear from area managers and regional directors? How did that work?

While Director of Operations Normally Worked with Regional Directors

Burke: The normal chain was the regional directors. I would speak occasionally with some area managers if they had a particular or an issue that they thought that I might be helpful on. The normal chain, though, was the regional directors.

Commissioner Dan Beard Talked a Lot with Area Managers and Getting the New Approach Working

Storey: I think Dan Beard, however, suggested to me that he talked to them a lot, to the area managers, bypassing the regional directors.

Burke: Dan did. That was Dan's major thrust in organizational management was to get the area management concept going and well founded, and he worked very much with area managers.

As I was discussing yesterday, I looked on my job as to try to fill in gaps, not try to duplicate what he was doing. So a lot of times I worked more with the regional directors, giving them a sense of what was happening and a sense of a greater level of confidence that things weren't getting out of hand.

Storey: A few moments ago, you mentioned some people in the regions were confused about their role, maybe would be the way to put it. I have heard the view expressed that there shouldn't be regions any longer, should just be directly Washington to the area offices. Do you see a role for the regions, and if you do, what is it?

Role of the Regional Offices in the New System

Burke: Oh, yeah, I think there's a role for the regional offices. A couple of things. There's certain skills, technical skills, that area offices need that they can't afford to have on a full-time basis. So the regional office is meant to provide that kind of thing. It's an economy of scale type of approach, where you could have one or two skilled people in a particular area that would work for different areas and keep busy by working for more than one or two area offices. That's one.

Secondly, there's still some oversight that the regional directors need to exercise, and they need staff for that to see both the programmatic and the administrative functions are being carried out appropriately and consistently within their regions at the regional directors are responsible for. So, yeah, there is definitely a need for them.

Storey: I went out to lunch with somebody today who was saying that in their program, you go to the area offices and they don't have a vision of how this program and what they do would affect the rest of Reclamation. Does that play a role in the regional offices, also?

Burke: I'm not sure what you're–

Storey: Well, their vision of what is going on is narrow in comparison to the vision that would be seen in the regional office, the Washington office, maybe some parts of the Denver office.

Management Staff Need to Have a Broad Range of Experience in Reclamation

Burke: I think that's a problem with Reclamation in general. As time goes on, less and less people get broad experience in Reclamation and they tend to narrow their careers down. That's a serious problem over time, and I think we need to address it. We need to make sure that the people that are in management are given the opportunity to experience different responsibilities in different parts of the organization and different geographical areas, not just from one area office to another or one regional office, but have experience in the area, have experience in the region, have experience in Washington, have experience in Denver, and a broad perspective so they can understand where they fit and appreciate and have some understanding of what other offices do and how they relate to those offices and how the other offices can help them. That's important.

Storey: We talked about Indians and the Operations Office yesterday. What about Indians and how they relate to the Program Analysis Office?

Native American Policy Is Developed in the Native American Affairs Office

Burke: We've got a person back in Washington that's doing some coordination between the PAO office and the Native American Affairs Office in Washington to make sure that the kind of skills we have can be applied to the needs of the Native American Affairs Office and that they don't go reinventing the wheel to get some things. But we don't have a direct responsibility there. We're, I think, doing some goodwill, good work.

Storey: I would think Indian issues would be a policy issue.

Burke: Well, they have their own policy group back there, so we don't duplicate that. We'll make sure that if they develop policy, that there's no inconsistency with what we're doing or contradictions. But that's their responsibility. Whether that's consistent with overall organizational theory, I don't know. I mean, it's a practical approach. It seems to work.

Differences Between the Major Organizational Units in Reclamation

Storey: Well, we had really just gotten to you coming to PAO yesterday. What's the difference between the Program Analysis Office, the Policy and External Affairs Office, and the Operations Office? How do they split up responsibility within Reclamation?

Policy and External Affairs Deals Broadly with Administration Policy

Burke: The way I saw it, and when we developed the workings of the new organization under Dan, the way I conceived it or conceptualized it was the Policy and External Affairs Office was principally one person and a small staff of Issue Managers, I think they called them, that Ed brought in, and the policy in that was a sort of a capital P policy. It was sort of broad administration policy and how Reclamation would relate to that and implement broad administration policy.

Program Analysis Office Deals with Operating Programs Within Reclamation

The Program Analysis Office was set up [as] more of a nuts and bolts [organization] in terms of procedures, guidelines, policies for operating programs within the Bureau itself. It's sort of a high-level, the Policy and External Affairs Office would address sort of higher-level, free-thinking kind of things or very broad issues that affected not only Reclamation, but other bureaus or other departments, and the Program Analysis would concentrate on things like what kind of consistent procedures or principles do we follow in realty development, in contracting, in repayment contracts, in recreation fees, sort of more nuts and bolts. Now, okay, that's sort of a stab at distinguishing between those two functions.

Operations Is the Daily Hands-on Delivery of Products and Services from Projects to Customers

The difference between Program Analysis, when we conceived the operation, and Operations, Operations was the daily hands-on delivery of products and services from our projects to the customers, what we're here for, what Congress expects of us, hands-on, day-to-day. Program Analysis was conceived as an independent look at the way we should do things, if we should do things consistently, and if so, how? What kind of guidelines should be used to achieve that kind of thing, what kind of approaches should be used to achieve that kind of thing, whether we dictated very finely–minutiae how people should operate or if we would establish objectives or outcomes for them and allow them to figure out how best to do that. It could vary depending upon the situation. But it was sort of an independent. It was sort of keeping independent from the line to the Commissioner. It was sort of independent the day-to-day operations versus how are we doing, how are we achieving these things, and where do we need consistency. So that was the concept behind the thing.

Storey: Is PAO in the right place? I mean, geographically.

Burke: Are you asking me whether the office should be–

Storey: In Washington, D.C., or here.

Program Analysis Office Should Be Away from Washington and its Day-to-Day Crises

Burke: I think the general office should be here. I think there's tremendous advantages in having this kind

of staff separated from Washington. The kind of staff that's here, the kind of work that they do versus what they might do or be doing back in Washington. They get sucked up into the latest day-to-day crises and the political ramifications of things. I think they're much better off having some distance between what they do and what Washington does. Now, that's based on my experience, in working in Washington for so long, I think it's a real advantage to have the staff out here. Well, here, Boise, wherever you want to put them, but I think away from Washington. There's always this crisis that's going to end the world or the sky is falling in Washington one day and then it changes the next, and what was so important one day is no longer there, and you never seem to get the kinds of thinking and nuts-and-bolts analyses that you need to do on your programs that aren't–

Storey: So you see that as, I don't know that isolation's the right word, but this removal is a good idea.

Burke: The distance, yeah. Again what I'm talking about, my perception of Program Analysis is the nuts and bolts of how we do, how we deliver the goods and services, and that's very, very difficult to do from Washington because you get sucked up in trivia and political trivia pursuit.

Storey: Does it cause communication problems with the other parts of the Commissioner's office, the fact that we're located at a distance?

Burke: Yeah, I think that that has a disadvantage, a relative disadvantage. All I think is that the relative advantage of this distance, from getting

sucked up into that, outweighs perhaps those potential communications.

Storey: Are there any dissonances between PAO here and PAO there?

Burke: I don't think any major ones.

Storey: Okay, good.

Burke: I don't think there are any major ones, no.

Issues Related to the Title Transfer Initiative

Storey: Good. One of the topics that's been a big issue since the reorganization is title transfer. Where do you see that going, and how did your involvement with that issue change between being Director of Operations and Director of PAO?

Burke: Title transfer really didn't get started–in concept it got started when I was back there as part of the REGO2, and I did a lot of the staff work for Dan on that. But we really didn't get started on it until in August of '95, and I was already out here. We had a conference and got sort of our nuts-and-bolts thinking together and proceeded to define how we were going to approach title transfer. We put out sort of a guideline for simple projects, I think we called them, and that's when we really got started.

I think there are a couple things, a couple of problems that we've run into with title transfer. One is that the particular ones that are interested at first are those that are not so simple, or most of them are not that simple, that came to the bar and

wanted to negotiate. They had various issues, multi-purpose issues, multi-constituency issues that were not easy to solve.

Secondly, I think that this issue of liability is a bigger issue than people imagine it to be at first, and maybe we need to do some rethinking or perhaps look at the concept of shared liability. Now, that's only in terms of sort of larger structures, larger dam structures, where there is public risk, where under our concept the liability would shift with the title to non-federal owners. But again, when you get into large structures, you're usually going to get into relatively large structures with a potentially high liability feature. You're basically out of simple projects or simple parts of projects.

I think the liability thing is really part of this phenomenon we've run into where the people that had stepped up to the plate wanting to play, wanting to negotiate, are people representing more than simple projects. Now, maybe we can do those, but I think they'll be easier to do after we get our experience with lesser complicated projects, distribution systems and things like that, parts of projects that aren't really controversial. The trouble is, we haven't gotten a lot of people in that category who were really interested at first. One, there's not a lot of incentive, or there's not perceived incentive so far; and, two, there's sort of fear that if they do something like that, they will make a big mistake and can't reverse it.

I think with a little bit more time, I think with a couple successes we'll start sort of a

movement. It'll be easier for people to do. A couple of successes will sort of signal to some of our employees that this thing is not a dangerous thing or a bad thing, that it really can be done, and it's not going to affect them. There's some reluctance on our own part within the Bureau. And secondly, once some of the water users sees these other examples have been completed, some of the transfers have been completed, that they'll see that maybe it does make sense for them, there'll be more people stepping up and wanting to do it. It's been painfully slow, but I think once we make a breakthrough, we'll gain some success.

Storey: Oroville-Tonasket's, I guess, ready to go or near ready to go. They did some transfers on the Rio Grande. Any others that you're aware of?

Burke: There's a couple in California that are at OMB right now waiting for approval, to send up legislation. That's sort of disturbing to me in a way, that OMB would not see this as something that they would put priority on and try to move. That's unfortunate.

Storey: Yeah. You mentioned yesterday that Washington has a short-term kind of a perspective on things, and yet Reclamation is in the kind of–has been in the past, at least–in the kind of business where we're very long-term oriented agency, sometimes thirty years and more, depending on what the particular project is. How does that interface between that short-term and the long-term, those needs? How does that work? Does it cause a lot of friction or what?

Burke: Part of it could, but the way the Bureau's tried to address it since 1988, and even before that, I think, to some extent, is to get most of the work done, the substantive legwork, the technical work done in places other than Washington. We used to have 250 or so people back in Washington, and there were a lot more back in 1988, and we had a lot more before that. Now we're down to less than 100 people physically located in Washington. We shifted a lot of responsibility out of there to Denver, mostly to Denver, to allow people to focus on more medium-and longer-term work and not be distracted by the latest movement or crises or anything the White House or the Congress or the Department can cook up.

Storey: You mentioned also yesterday that there was this sort of cynical political attitude that–do what looks good, not necessarily what is good. I had a conversation while I was on a mini-sabbatical in Washington about whether or not there was a deficiency in the O&M budget, and this person kept insisting, no, there's no deficiency. It's just that–this isn't quite what this person said–they aren't giving us enough money. You know, it was double speak, I thought. Is there a lot of that?

"Veracity is not a common commodity in Washington. It's rather scarce. It sometimes is looked on as dangerous or naive or sometimes it's a victim of inability to put it in the appropriate sound byte. . . ."

Burke: Yeah, it seems to me there is. Veracity is not a common commodity in Washington. It's rather scarce. It sometimes is looked on as dangerous or

naive or sometimes it's a victim of inability to put it in the appropriate sound byte.

Storey: So that you can't get the media coverage.

Burke: Right. Nobody will listen, so you've got to paint things in black-and-white terms, good and evil.

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BEGIN SIDE 2, TAPE 1 of 1. DECEMBER 4, 1997.

Burke: Rather than more complicated, realistic terms.

Power Program in the Program Analysis Office

Storey: What are the other major things? What about the power program here in the Program Analysis Office? How do you see that function in Reclamation?

Burke: I think what Mike has done with the Power Program, the Power Lab, is very, very good, very successful. It really was needed. What he did was spend a lot of time and a lot of energy looking around and seeing the good things that we're doing and recognizing the good things and being able to display those in an appropriate manner.

I think that's one of the areas that has been overlooked in the Bureau. Its importance was downplayed ever since the creation of the Department of Energy and the split-off of the power marketing agencies. But we produced tremendous benefits, huge benefits, in terms of our output of power. A lot of people benefit from that, and we do a good job, his study shows. We've got

some areas where we could do a better job, and it shows that. We now know where we can make improvements. But we're doing very well in that area, and we ought to continue to do so. I'm very proud of Mike and what he's done in that program.

Storey: It seems as if we return a lot more revenue to the Treasury than we actually have in our budget, for instance.

Burke: Some years. In a dry year, the power revenues can go down.

Storey: One of the things I've watched since the reorganization is, PAO's been here and the Service Center's been here, and there's some concern about how do we differentiate between the two organizations rather than becoming "the Denver office" again. Do you have any thoughts on that or whether it's even necessary?

Burke: I don't worry about that. I'm not concerned about that. I look on the TSC and the Reclamation Service Center, *etcetera*, as all parts of Reclamation. We've got our different jobs to do, but what they do is critically important and what we do hopefully is critically important, or of some importance.

I don't worry about that, and I don't like to see sort of these sharp-defined distinctions between the two because one is doing well and the other is doing badly or poorly. I think any part of our organization that's not doing well, we all suffer from it; and one part does well, we gain by it. I

just don't put a lot of energy into that kind of distinction.

I was just thinking this. A lot of whether we do well and a lot of our success comes from the skills that we pay for and get from TSC, so we're very dependent in a lot of areas on their analytical capabilities, because a lot of the things we're responsible for, we hire them to do the work for us.

Storey: Do you have any general comments that you feel you ought to make about either Reclamation or the Program Analysis Office?

Burke: In what sense?

Storey: Any sense you want.

Burke: Any sense I want. I think that Reclamation will continue. I think it's got a very important role to play. I think the very nature of its complicated work and the sticky issues it gets into will dictate that we will be around. It's not an easy job at all, and it's going to get even harder to try to strike and find some balance between these competing legitimate businesslike demands and environmental demands and political demands. It takes a lot of skills, technical skills. It takes a lot of patience. It takes a lot of good people to do that, and I think we'll be successful in doing it.

It might be later on that we'll find maybe some better way of approaching a problem through an organization or something, I don't know. But the people that are here will find ways of doing their job the best way they can figure. Whether we

look at another organization a few years down the road, I don't know. I'm not much of an organizational theorist. I tend to be practical from a management perspective. Try it. If it works, good. If it doesn't work, try something else. I don't put a lot of faith in perfect organizational theory. I think you can make big mistakes, and you have to correct them. But otherwise, there's various ways of organizing yourself to achieve objectives. Sometimes they're going to work well one way and sometimes another way.

But I think Reclamation has a good future. I don't think we're going to be the size or grow up again to the size we were before, but we're still going to be playing a vital role, and I think we're really on the leading edge of some organizations of government, bureaucratic organizations, in terms we tend to get things done. Things happen because people care about making sure that their efforts get combined in such a way that something happens, that there's an outcome to it and not just keeping busy or spinning wheels.

Storey: Some people have expressed to me the view that if Dan Beard hadn't reorganized, we might not be here. How do you react to that attitude?

Without the Reorganization We Wouldn't Have Been Accomplishing Much Work

Burke: That's a possibility, and I say it this way. One, from the very practical point of view that, if we hadn't, on the downsizing part of the reorganization, we'd have been in trouble. We'd have been spending a lot of money and not getting

anything done, or not getting very much done, and that would have called political attention to ourselves. He got ahead of that and, to his credit, we did something about it. Now, there was pain involved, but with the buyouts and all, I think we minimized that pain.

Secondly, I think that he also realized the relative shift in the political influence of various interest groups, as we talked yesterday, more toward the urban interests, and he saw that unless we get a fresh perspective on what's going on and reality of the world and water resources in general, that through inertia we're just going to die on the vine. I think he saw both aspects of organization in that light.

I think he really re-energized the Bureau and a lot of its people in there throughout different levels with his ideas about delegation of authority and giving people a chance to shine. I think that was important. It did a lot for the organization.

Central Utah Completion Act

Storey: One of the things that I think happened under him was the transfer of the Central Utah Project.

Burke: That was part of the legislation, the omnibus Reclamation Reform Act [Reclamation Projects Authorization and Adjustments Act of 1992, P.L. 102-575]. That was Title 3 and 4 and 5 or something. That had been a hot political issue in the late eighties and early nineties. There was a lot of consternation in the Central Utah Project, the Bonneville Unit, about the administrative or

overhead costs that were being expended and not much work was being done. There was a lot of political finger pointing. Some of it might have been legitimate in terms of costly or not enough concrete for the amount of personnel and accountants you had, the tooth-to-nail ratio. But for the most part, it was a lot of political chicanery.

Congress had authorized the Bonneville Unit in the sixties, late sixties, and it really didn't get started much until the seventies. And then there were moratoria. There was a major moratorium on any further construction until there was a re-vote by the District of support for the Bonneville Project. As I recall, that was a George Miller imposition into the Appropriations Act in the early eighties. So there was stop-go, stop-go, stop-go. There was a major technical problem in the Stillwater Tunnel, I believe it was, that delayed them a year because they got stuck in this tunnel. The geology was different or something in there. Their machinery got stuck in there and delayed it a year. There were various reasons why, both our fault and acts of God and political acts, that slowed down the earth moving and the placing of concrete, while administrative overhead costs were continuing to be expended. As a ratio of these overhead costs to these direct construction costs, you could see what happens there. It's obvious that they're going to run higher than normal.

Senator Jake Garn Managed to Remove Completion of the Central Utah Project from the Oversight of the Bureau of Reclamation

That was sort of the background of what happened when Senator [E. J. "Jake"] Garn started complaining about the high administrative costs of Bonneville and started dictating in the appropriation language, placing a constraint of no more than 15 percent for administrative costs could be expended on the Bonneville Unit, *etcetera, etcetera*. And then the district managers were getting all upset and they were getting frustrated by a lot of the local politics and lack of support for some of their ideas, and they took it out on the Bureau.

Finally, they were so frustrated they went to Miller and Dan and made a deal with them that they would do all this environmental restoration if they would help support the completion of the Bonneville Unit and make it independent, keep Reclamation out of it. It was really, they were strange bedfellows, but it worked as all part of this quilt. Miller and those people in the House went along with that, and Garn in the Senate brought it about. It's not a clear picture of malfeasance and this or that. It's a whole mixture of things.

Storey: How long have you been with the government now?

Burke: Thirty-two and a half years.

Storey: And with Reclamation?

Burke: Twelve and a half.

Decision to Retire

Storey: Why have you decided to retire?

Burke: Because I want to do other things. I've got a lot of things I'd like to do. I've got a lot of reading I want to do. I want to do some traveling. I want to expend my energy on things other than on what I've been doing. I feel it's good for change.

Storey: What other plans do you have?

Burke: In terms of work?

Storey: In terms of whatever you want to do after you retire.

Burke: I've got some short-term plans to travel and reading, and longer term, I want to do some volunteer work, service work.

Storey: But you're not planning to work work?

Burke: No. I plan to keep busy, but not–

Storey: In the Denver area?

Burke: Yes.

Storey: Anything else you want to talk about?

Burke: No.

Storey: Okay. Let me ask whether you're willing for the information on this tape and the resulting transcripts to be used by researchers.

Burke: Yes.

Storey: Good. Thank you.

END SIDE 2, TAPE 1 of 1. DECEMBER 4, 1997.
(END OF INTERVIEW)
END OF INTERVIEWS